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ANALYSIS OF THE PEOPLE'S REPUBLIC OF CHINA PLACE IN INTERNATIONAL RATINGS OF INVESTMENT ATTRACTIVENESS

T. V. Savenko

Sukhoi State Technical University of Gomel, the Republic of Belarus

This article analyzes the positions of the People's Republic of China in international rankings from the standpoint of objectivity and validity. At the end of the article, the author concludes that China's positions in various international investment ratings have a positive trend, which has a positive effect on the investment climate.

Keywords: investment ratings, investment climate, investment attractiveness, Doing Business Index, Economic Freedom of the World Index, Economic Freedom Index.

Various international research organizations calculate and publish several widely used investment attractiveness ratings, which reflect the quality of the investment climate in a large number of countries and actively used by analysts.

A lot of articles in the international press have drawn a connection between foreign direct investments and Doing Business. Such articles often suggest that higher Doing Business rankings will be associated with more foreign investment, which is believed to create jobs, bring in new technologies and processes and have other beneficial collateral effects on the real economy. Thus, a better ranking for an economy implies that its investment climate is more favorable to foreign investors.

It is important to notice that the methodology of doing Business is not explicitly designed for this purpose. Potential investors consider many other factors, such as the overall quality of an economy's business environment and its national competitiveness, macroeconomic stability, development of the financial system, market size, rule of law, and the quality of the labor force.

China participates in Doing Business since 2008 (tab. 1).

Table 1

Rank of China in Doing business

Year	2010	2011	2012	2013	2014	2015	2016	2018	2019
Rank	91	99	96	83	80	78	78	46	31

Comparative analysis of changes in its positions is difficult because of change in quantity of countries covered by the rating (in 2008 the rating covered 181 countries, and in 2019 – 190), as well as several changes that have occurred in the calculation methodology. According to the table above the rank of China improved year by year. Now China is ranked 31 among 190 economies in the ease of doing business.

The index published in Economic Freedom of the World measures the degree to which the policies and institutions of countries are supportive of economic freedom.. The degree of economic freedom is measured in five broad areas.

Area 1: size of Government.

As government spending, taxation, and the size of government-controlled enterprises increase, government decision-making is substituted for individual choice and economic freedom is reduced.

Area 2: legal System and Property Rights.

Protection of persons and their rightfully acquired property is a central element of both economic freedom and civil society. Indeed, it is the most important function of government.

Area 3: sound Money.

Inflation erodes the value of rightfully earned wages and savings. Sound money is thus essential to protect property rights. When inflation is not only high but also volatile, it becomes difficult for individuals to plan for the future and thus use economic freedom effectively.

Area 4: freedom to Trade Internationally.

Freedom to exchange – in its broadest sense, buying, selling, making contracts, and so on – is essential to economic freedom, which is reduced when freedom to exchange does not include businesses and individuals in other nations.

Area 5: regulation.

Governments not only use a number of tools to limit the right to exchange internationally, they may also impose onerous regulations that limit the right to exchange, gain credit, hire or work for whom you wish, or freely operate your business.

Since the first publication in 1996, numerous studies have used the data published in Economic Freedom of the World to examine the impact of economic freedom on investment, economic growth, income levels, and poverty rates. Virtually without exception, these studies have found that countries with institutions and policies more consistent with economic freedom have higher investment rates, more rapid economic growth, higher income levels, and a more rapid reduction in poverty rates (tab. 2).

Table 2

Rank of China in Economic freedom of the world Index

Year	2005	2010	2015	2018	2019
Rank	116	123	120	124	116
Summary index	5,86	6,02	6,2	6,1	6,53

The Overall index of economic freedom has ten components grouped into four broad categories:

- rule of law;
- limited government;
- regulatory efficiency;
- open markets.

The overall economic freedom is scored on a scale of 0 to 100, where 100 represents the maximum freedom (tab. 3).

Table 3

Rank of China in Economic freedom Index

Year	2014	2015	2016	2018	2019	2020	2021
Rank	53	53	52	58	58	60	58,4

According to the tab. 3 China index of economic freedom fluctuated substantially in recent years. China's economic freedom score is 58.4, making its economy the 107-th freest in the 2021 Index. For comparison, the world average in 2021 based on 176 countries is 62 index points. Its overall score has decreased, primarily because of a decline in fiscal health. China is ranked 20th among 40 countries in the Asia – Pacific region, and its overall score is below the regional and world averages.

Thus, according to the Rank of China in Economic freedom Index it remains a mostly unfree economy. The modest improvements in its economic freedom score in recent years have resulted mostly from gains in the property rights, judicial effectiveness, and business freedom indicators.

In the end it is important to stress out that the analysis of the objectivity and validity of international ratings of investment attractiveness shows that only the Doing Business rating (Doing Business) of the World Bank Group based on its own sources (polls). Its results are used in one way or another by the Fraser Institute and the Heritage Foundation (The Heritage Foundation) when developing their own indexes of economic freedom. Thus, focusing on improving the performance in Doing Business will automatically lead to the growth of the final ratings

Moreover, frequent use by the Heritage Foundation (The Heritage Foundation) data from the US Department of Commerce and the US Department of State reduces the degree of objectivity in assessing the final results of the Index of Economic Freedom.

Thus, we can conclude that investment rating of the People's Republic of China has positive dynamics, which contributes to the creation of a favorable investment climate.

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СОВЕРШЕНСТВОВАНИЕ СИСТЕМЫ МАТЕРИАЛЬНОГО СТИМУЛИРОВАНИЯ ТРУДА ПЕРСОНАЛА ПРОМЫШЛЕННОГО ПРЕДПРИЯТИЯ

О. Н. Царь, И. В. Ермонина

Учреждение образования «Гомельский государственный технический университет имени П. О. Сухого», Республика Беларусь

Рассмотрены вопросы совершенствования системы материального стимулирования труда персонала на примере отдела организации труда и заработной платы ОАО «Гомельский завод литья и нормалей». Предложен новый метод определения надбавки за сложность и напряженность работы в зависимости от уровня сложности выполнения задач работниками отдела. Приведен расчет годового экономического эффекта от внедрения новшества на предприятии.

Ключевые слова: промышленное предприятие, персонал, материальное стимулирование труда, основные и неосновные задачи, уровень сложности задачи, сложность и напряженность работы, надбавка.