

THE ROLE OF FOREIGN LANGUAGES OF INTERNATIONAL EXPERIENCE AND FOREIGN INVESTMENTS

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Abstract. This article presents a comparative analysis of the experiences of countries that have achieved global success in attracting foreign direct investment (FDI) — China, Singapore, Ireland, and the United Arab Emirates. Special attention is given to the effectiveness of special economic zones, tax incentives, legal guarantees, and institutional factors. The conclusions are summarized as practical recommendations for Uzbekistan.

Keywords: foreign direct investment, special economic zone, investment climate, tax incentives, legal guarantee, transnational corporations, Uzbekistan.

Introduction

In the context of globalization processes of the 21st century, foreign direct investment plays a decisive role in enhancing the competitiveness of national economies. According to UNCTAD data, global FDI flows reached \$1.37 trillion in 2023, a figure that serves as the primary source for bridging domestic savings gaps in developing countries [1]. Beyond capital, FDI also encompasses technology transfer, management competencies, and access to export markets, which qualitatively distinguishes it from ordinary financing.

Within the framework of the systematic economic reforms Uzbekistan has been implementing since 2017, new favorable conditions are being created for foreign investors. However, at a time when international competition is intensifying, relying solely on one's own experience is insufficient. Therefore, the systematic study of the investment policies of successful countries and drawing practical conclusions for Uzbekistan becomes an important scientific and practical task.

The purpose of this study is to conduct a comparative analysis of the experiences of four leading states in the field of foreign investment and to identify common patterns.

Literature Review and Methodology

The theory of attracting foreign investment is built on the OLI paradigm (Ownership, Location, Internalization) developed by Dunning [2]. According to this concept, firms invest directly in foreign markets only when three advantages exist: ownership, locational, and internalization advantages. Subsequent research, particularly the works of Meyer and Sinani [3], confirmed the central role of the institutional environment in determining locational advantage.

Comparative studies conducted by Macrory, Edmond and others [4] empirically demonstrated the effectiveness of special economic zones for Southeast Asian and Middle Eastern countries. The article applies a comparative analysis method: four states — China, Singapore, Ireland, and the UAE — are compared by tax rate, legal environment index, FDI volume, and economic growth indicators.

Analysis and Discussion

China: A Gradual Liberalization Model. Following the 1978 reforms, China chose a careful, phased approach to attracting FDI by introducing a system of special economic zones (SEZs). The first zones — Shenzhen, Zhuhai, Shantou, and Xiamen — were equipped with low tax rates, simplified licensing systems, and special infrastructure. In particular, the corporate tax rate within SEZs was reduced to 15%, with additional incentives established for foreign companies [5]. This policy delivered results: FDI inflows into China totaled \$163 billion in 2023. The key lesson from China's experience is that geographically limited incentives enable the creation of an attractive core for foreign capital without raising the overall tax burden on the entire country.

Singapore: An Institutional Excellence Model. Despite its compact geography and lack of natural resources, Singapore became a world leader in attracting FDI. The World Bank's Doing Business rating has recognized Singapore for years as one of the countries with the most favorable business environment [6]. The 17% corporate tax rate remains competitive, but the main advantage lies not in the tax level but in strong property rights protection, a transparent judicial system, the lowest levels of corruption, and a highly skilled workforce. Singapore's experience shows that for small states, institutional quality can be more important than the quantity of capital.

Ireland: A Tax Competition Model. Ireland maintains the lowest corporate tax rate in the European Union at 12.5%. As a result of this policy, corporations such as Apple, Google, and Meta have opened regional headquarters in Ireland. Between 1990 and 2023, Ireland's GDP increased 15-fold, making the country one of Europe's fastest-growing economies. At the same time, Ireland's experience has controversial aspects: the OECD's initiative for a global minimum corporate tax (15%) was directly aimed at such low-rate jurisdictions.

United Arab Emirates (UAE): A Free Zone Model. Within the framework of a strategy to reduce dependence on oil revenues, the UAE established special free economic zones (Jebel Ali Free Zone — JAFZA, Dubai International Financial Centre — DIFC). These zones guarantee 100% foreign ownership, zero corporate tax, and unlimited repatriation of profits. In 2023, the UAE attracted \$22 billion in FDI and became the largest investment hub in the Middle East. The DIFC's separate legal system (based on English common law) provided legal predictability for international financial institutions.

Conclusions and Recommendations

A comparative analysis of the four countries' experiences revealed a number of common patterns. First, all successful models are built on a foundation of political stability and a predictable legal environment — this is the primary prerequisite for investors. Second, tax incentives are important but not sufficient: they work only in conjunction with quality infrastructure, a skilled workforce, and efficient bureaucracy. Third, the 'one-size-fits-all' principle does not work in investment policy — each successful model was shaped within its own geographic, historical, and institutional context.

Practical recommendations for Uzbekistan include the following: improving the regime of existing free economic zones (Navoi, Angren, Jizzax) based on the UAE model and broadly introducing 100% foreign ownership; reforming the judicial system and introducing international arbitration standards for resolving commercial disputes; creating a differentiated tax system close to the Irish model for the IT and innovation sectors. These measures are consistent with the goals of Uzbekistan's development program targeting 2030 [7].

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