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Investment Cooperation in the Conditions of Globalization: Problems and Prospects for the Development

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Abstract--- *In this article, the aim of the study is to systematize theoretical views and identify trends in attracting foreign direct investment in national economies in the context of globalization of the world economy. When conducting this research the methods of macroeconomic and system analysis, comparative and statistical analysis, a logical, historical and evolutionary approach, grouping and scientific generalization and others have been used. The main results of this study are: the differences and one-sidedness of the theoretical positions with respect to determining the essence of internationalization and globalization of the world economy are revealed; the theoretical directions of improving investment cooperation are disclosed; there was developed the conceptual foundations of an integrated approach to globalization, as a stage in the development of the internationalization of production and investment cooperation; features of direct foreign investment at different stages of internationalization of exchange and production are established; within the framework of a systematic approach to globalization and the development of foreign direct investment, analytical assessments of foreign direct investment (FDI) at different stages of internationalization have been carried out; the role of TNCs in the development of globalization and foreign direct investment is justified; comparative advantages of the practice of using FDI in various regions of the world, and in particular in Malaysia, have been identified; the most important factors and ways to increase the investment attractiveness of the Republic of Uzbekistan are justified.*

Keywords--- *Investment, Investment Cooperation, Division of Labor, Foreign Direct Investment, Investment Climate, Internationalization, Transnational Companies, Globalization.*

I. INTRODUCTION

The accelerated globalization of economic processes is manifested in a large-scale expansion of the sphere of investment cooperation within the framework of internationalization of world capital markets. The importance of foreign investment for the economies of all countries of the world, and especially for developing countries, is growing sharply due to the need for its structural and technological modernization in the context of the globalization of the economy. «Global foreign direct investment (FDI) flows continued their slide in 2018, falling by 13 per cent to $1.3 trillion. FDI flows to developed economies reached the lowest point since 2004, declining by 27 per cent. Inflows to Europe halved to less than $200 billion, due to negative inflows in a few large host countries because of funds repatriations and to a sizeable drop in the United Kingdom. Inflows in the United States also declined, by 9

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per cent to $252 billion. Flows to developing countries remained stable, rising by 2 per cent. As a result of the increase and the anomalous fall in FDI in developed countries, the share of developing countries in global FDI increased to 54 per cent, a record» [1, P,x]

The wide attraction of foreign capital, however, creates a number of problems in national economies that require theoretical understanding and practical decisions that would ensure the harmonization of global and national economic interests.

Taking into account the interests of developing countries, the study focuses on the role of transnational corporations in the process of foreign investment in the context of globalization, assesses the theoretical views of scientists on the internationalization and globalization of the economy, as well as on the effectiveness of foreign direct investment and the experience of using FDI in individual developing countries.

Malaysia is analyzed as a country demonstrating successful experience in attracting foreign capital. This country was selected for analysis, as it is one of the most successful among the new industrial states. The main reason for its rapid progress is the effective use of investment cooperation opportunities..

In connection with the above, of particular relevance are the issues of analyzing international capital flows and attracting foreign investment in order to modernize national economies, study the main categories associated with foreign investment and develop practical proposals to increase the investment attractiveness of Uzbekistan.

The degree of knowledge of the research topic. Jason Calacanis [2], Zvi Bodie, Alex Kane, Alan J. Marcus [3], Lawrence J. Gitman, Michael D. Joehnk [4], William F. Sharp, Gordon J. Alexander, Jeffrey W. Bailey [5], Herbert B. Mayo [6], Nayyar D. [7] and many others, made a significant contribution to the development of theoretical issues of globalization and modern aspects of attracting foreign investment.

Much attention was paid to the problems of investment management in the works of such scientists as Akhmetshin, E. M., Artemova, E. I., Vermennikova, L. V., Shichiyakh, R. A., Prodanova, N. A., Kuchukova, N. M. [8], L. S.Valinurova [9], M . Rimer [10] and others

The works of scientists such as Vakhabov A., Muminov N., Djurakhanov F., Karimov A. [11], [12], [13], Khashimova N.A. [14] and others are devoted to the development of investment processes at the level of the national economy.

Noting the diversity of points of view and theoretical prerequisites of researchers on the development of investment cooperation, it must be recognized that issues such as attracting foreign investment in national economies in the context of globalization and the global financial and economic crisis have not been studied enough. In this regard, there is an objective need for theoretical developments that would combine the organizational, economic and institutional aspects of investment cooperation in the face of increasing competition in world capital markets. This served as the basis for choosing the research topic, determined the features of the methodological approach to the problem under study.

The purpose of the study is to systematize theoretical views and identify trends in attracting foreign direct investment in national economies in the context of globalization of the world economy.

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The main objective of the study is as follows:

- Assessment and systematization of theoretical views regarding the content of the concepts of “internationalization”, “integration” and “globalization” of the economy;
- Analysis of the consistency to and content of investment cooperation while respecting mutual interests as an organic component of the process of internationalization of capital, international cooperation and the division of labor;
- substantiation of the place and importance of transnational companies in the development of foreign direct investment and economic globalization;
- Revealing the dynamics and development trends of foreign direct investment in the context of globalization of the world economy and strengthening regional integration;
- Study of the experience of using foreign direct investment in Malaysia to modernize the growth of economic competitiveness at the national level;
- Studying the theory and practice of attracting and using foreign direct investment based on world experience as well as developing proposals to improve the investment climate and stimulate the flow of foreign investment in the Republic of Uzbekistan.

The object of research is the process of attracting foreign investment in national economies in the context of globalization of the world economy. The subject of the study is economic relations associated with attracting foreign investment in national economies.

In the research, methods of macroeconomic and system analysis, comparative and statistical analysis, a logical, historical and evolutionary approach, grouping and scientific generalization and others have been used.

FDI inflows to developed countries reached their lowest level since 2004, down 27%. The influx of investments in Europe halved to less than $ 200 billion due to the outflow of capital from several major host countries due to the repatriation of funds and a significant drop in investment in the United Kingdom. Capital inflows to the United States also declined: a decrease of 9% to $ 252 billion was noted.

Inflow of investments in developing countries remained stable, increasing by 2%. As a result of this increase and an abnormal decline in FDI in developed countries, the share of developing countries in global FDI has increased to a record 54%.

- FDI inflows to Africa increased 11% to $ 46 billion, despite declining investment in many large recipient countries. This increase was facilitated by continued investment in natural resources development, a small volume of diversified investments, and a recovery in South Africa, which has emerged after several years of weak capital inflows.
- The influx of investment in developing countries in Asia, the largest recipient region, increased by 4%. A sign of further intensification of growth is a doubling of the cost of new investment projects, there has been a rise after a pause in 2017.
- FDI in Latin America and the Caribbean fell by 6%, and thus, the growth that was outlined in 2017 after a long decline has stopped. FDI in this region is still 27% lower than at the peak of the commodity boom.

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- FDI inflows to countries with structurally weak and vulnerable economies continued to account for less than 3% of the global total. Investment flows to the least developed countries rose again after the decline in 2017 and amounted to $ 24 billion, which is the average annual figure for the current decade.

This scientific article discusses the scientific and methodological problems of deepening investment cooperation in the internationalization of national economies and the internationalization of national economies in the context of globalization of the world economy.

The concept of globalization from the standpoint of economic science requires correct assessments of the correlation of the concepts of “internationalization”, “globalization” and “integration”.

There are various interpretations of these concepts in the scientific literature, for example, Nayyar D., defines globalization as a process associated with an increase in the economic openness of national economies, growing economic of their interdependence and increased economic integration in the global economy. The same can be said about the definition developed by the IMF, according to which globalization is characterized as the process of integrating economies through trade, financial flows, technology diffusion, development of information networks and intercultural exchange. With all the significance of the theory of interdependence, it does not reveal the essence of economic globalization. As noted, economic interdependence in the modern world is asymmetric; therefore, the definitions of globalization, focused only on the problem of interdependence, cannot explain modern changes in the global economy. [7, P.190]

Unfortunately, most of the available concepts of internationalization and globalization do not differ in the necessary theoretical accuracy of analytical approaches. As a result, the internationalization of the economy is still interpreted by different authors in different ways. Many researchers simply identify internationalization and globalization, characterizing the same phenomena with one or the other term, without explaining their qualitative difference.

Scientists believe that economic globalization should be assessed as a logical outcome of the process of formation and development of the world economy and, accordingly, as the next stage of internationalization of national economies.

In our opinion, considering the world economy as a single system of economic relations, the conclusion about the objectivity and regular nature of cooperation between individual states, between individual firms based on taking advantage of the division and cooperation of labor and its specialization seems logical. The objective process of internationalization of world economic relations determines the development and deepening of cooperation at all levels using a variety of organizational forms, where investment interaction is the most difficult component of this process. Scientists express the opinion that the dialectic of modern economic development lies in the fact that the development of an investment strategy and structural policy, the adoption of economic decisions takes place at the level of the main business entity - a company, corporation, and they get the final expression when forming priorities that reflect social needs at the national economic level. These two levels connect the market with each other, where government structures play a significant role, acting primarily as institutional and legal, but not executive economic bodies.

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As investigation have shown, the contradiction between the reduction of opportunities for accumulation and the need for radical and large-scale modernization of the production apparatus, advanced industrial countries were resolved by two methods. Firstly, by reorienting capital investments to complete modernization on the basis of the latest, more efficient generations of technology, secondly, by mobilizing all non-investment factors: the possibility of overflowing capital with the help of a developed financial sector, strengthening market principles and changing the market relations between business entities themselves.

The investment policy, reflecting the basis of economic processes, is an essential component in a set of measures to ensure the structural transformation of the economic system. As the experience of developed countries testifies, the first step in rationalizing investment activity was the transition to resource-saving technologies, in this regard; investments went mainly in the reconstruction and modernization of production. The technological base of these processes was the so-called "high technology", stimulating the strengthening of horizontal economic ties. The specifics of the economic development of industrial countries at present consists in the fact that the global financial and economic crisis of the existing production and financial structures (technological, managerial, organizational, etc.) has forced to intensify the search for fundamentally different non-traditional solutions.

The study substantiates the conclusion that the experience of developed countries testifies to the possibility of combining deep structural reconstruction with the expansion and qualitative transformation of production potential and increasing the competitiveness of national economies. The use of foreign investment to create the prerequisites for sustainable economic growth, the formation of market relations and market infrastructure, as well as ensuring the restructuring of the economic complex in order to increase the productive return on the used resource potentials, is a component of the global process of capital movement and its internationalization at the level of interstate relations. It is also characteristic that private investments are more mobile than state loans, significantly exceed in volume, are more diversified, and, what is very important, they are focused primarily on obtaining an economic effect. In this regard, it seems appropriate to study the conditions and identify effective criteria that could ensure the influx of private investment in the first place, in the manufacturing sector.

Research have shown that at present, the main flows of foreign direct investment are circulating in developed economies and are focused on special demand for high-tech and high-quality products. Under these conditions, countries with large emerging markets: China, India, Mexico, Brazil and Russia, become the main competitor in attracting foreign investment in the world capital market.

Considering the economic conditions of investment cooperation, the paper analyzes the factors determining the quality and investment climate of the country accepting investments, including:

1. Political factors determining the development of the investment process.
2. Social factors include:
    - Social living conditions of the population (population density and distribution of national wealth, living standards, living wage, etc.;
    - The presence of social conflicts;
    - Political instability.

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3. And the most important are the financial and economic aspects, such as:

- The capacity of the existing local and world markets and the possibility of their expansion (for the production of this type of product);
- Sales conditions (condition of the distribution network) and the level of prices for products in the local, international markets, as well as the volume of imports of similar goods and the position of competing suppliers;
- Availability of components necessary for the production of: energy, raw materials, labor, incl. qualified, infrastructure, etc.;
- Economic policies of governments to develop industries where foreign investment is directed, the degree of development of the legislative framework;
- Balance of payments status;
- Permissible share of foreign participation in the capital of the enterprise;
- Tax system, system of benefits, including regional and municipal; financing and lending activities, including with the participation of foreign capital;
- The possibility of transferring dividends, royalties and capital abroad, the conditions for the liquidation of an enterprise;
- The possibility of obtaining short-term loans in the world and domestic markets of loan capital from the banking system, mobilizing financial resources through the issuance of securities; inflation rate; convertibility of the national currency;
- Availability of a promising partner.

Also, we have studied the main trends and factors affecting the development of the global investment market and the role of transnational companies (TNCs) in the development of foreign direct investment.

Economic theory has developed a whole system of arguments explaining the nature and motives of FDI. Each of them assesses the development of FDI in terms of stimulating or limiting factors. These factors interact and the end result of this interaction is unpredictable with a one-sided approach.Therefore, the emergence of an "eclectic paradigm" was important, in which macro- and microeconomic approaches are conceptually combined. [15, P.288,290].

Within the eclectic paradigm, FDI is estimated taking into account three groups of factors:

- Arising from the exclusive rights of firms to certain types of assets or comparative advantages compared with firms in the host country - “ownership advantages”;
- “Internalization advantages” (internalization advantages) which allows to avoid large transaction costs in the activities of firms abroad;
- “location advantages”, which determine the choice of destinations.

In the 90s of the twentieth century, the "eclectic paradigm" was supplemented by a new aspect that takes into account the characteristics of the company’s strategy and changes in it. This is reflected in the model due to the introduction of new variables called “dynamized add-ons”, which arise when a company, studying its past

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experience, reacts to the successes and failures of its previous strategy, when analyzing changes in the strategy, analyzing the status of each of three elements in the response of the company to strategic changes.

In the modern global competitive economic environment, according to the author, the achievements of countries (especially developing) in solving problems of economic growth and welfare are increasingly dependent on the quality of relations with foreign companies and states, on participation in the organization of international production, the international movement of technology and capital.

As shown in the work, according to the theory of the investment development cycle, as a country develops, its possibilities for cooperation with foreign firms - potential investors, and the interest of national companies in making foreign investments go through a number of stages that can be identified by the effect of FDI on the country's development path [16]. It is understood that a country usually goes through five stages:

- In the initial country only receives foreign capital;
- The second inflow of capital continues to increase, but there is still a slight export of national capital from the country in the form of FDI;
- In the third stage, capital exports begin to exceed foreign investment (net outward FDI);
- At the fourth stage, the total amount of capital invested abroad first reaches, and then exceeds the total Amount of foreign investment accumulated in the country;
- The final stage is characterized by slight fluctuations around the zero level of net outflow of investments (capital inflow is approximately equal to its outflow).

The global financial and economic crisis has had a significant impact on attracting FDI. At the end of 2008 and in 2009, significant reductions were recorded for all three components of FDI inflows: equity investments, other capital flows (mainly intra-corporate loans) and reinvested profits. Equity investments decreased along with cross-border mergers and acquisitions (M & As). The fall in profits of foreign affiliates led to a decrease in reinvested earnings.The underlying FDI trend has shown anemic growth since 2008. FDI net of one-off factors such as tax reforms, megadeals and volatile financial flows has averaged only 1 per cent growth per year for a decade, compared with 8 per cent in 2000–2007, and more than 20 per cent before 2000. Explanations include declining rates of return on FDI, increasingly asset-light forms of investment and a less favourable investment policyclimate.

The long-term slide of greenfield investment in manufacturing halted in 2018, with the value of announced projects up 35 per cent from the low value in 2017. Among developing countries – where manufacturing investment is key for industrial development – the growth was mostly concentrated in Asia and pushed up by high-value projects in natural resource processing industries. [1, P.xi]. In some cases, the restructuring of the parent companies led to the repayment of loans received from them by foreign branches, and to a reduction in net internal corporate capital flows between TNCs and their foreign branches.

Globalization grows out of the trans nationalization of the economy and, above all, as a result of the activities of transnational corporations. In this regard, a theoretical analysis of this role and its changes is one of the aspects of the conceptual assessment of the features of modern global investment, the development of which, at present, is largely dependent on TNCs.

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The activity of multinational corporations in international this transaction often makes them key participants in globalization and foreign direct investment, the organization of international production. TNCs are responsible for the majority of FDI flows and the associated profit movement, for a large share of portfolio investment, world trade, labor migration, especially their highly qualified part. Their intercompany and intercompany networks acquire a character over national ones. All this provides them with a significant increase in comparative advantages, which turn out to be significantly larger than those of all other actors in the system of international economic relations.

TNCs have largely predetermined the entire process of development of the internationalization of the economy through a series of its successive stages and the dynamics of FDI. An analysis of development dynamics indicates that the number of TNCs has increased substantially over the past decades. Thus, according to UNCTAD, the number of “parent” TNCs in 15 major developed countries increased from 7276 in 1968 to 39650 in the second half of the 90s, i.e. almost six times.

Global foreign direct investment (FDI) flows fell by 23 per cent in 2017, to $1.43 trillion from a revised $1.87 trillion in 2016. The decline is in stark contrast to other macroeconomic variables, such as GDP and trade, which saw substantial improvement in 2017. A decrease in the value of net cross-border mergers and acquisitions (M&As) to $694 billion, from $887 billion in 2016, contributed to the decline. The value of announced greenfield investment – an indicator of future trends – also fell by 14 per cent, to $720 billion.FDI flows fell sharply in developed economies and economies in transition while those to developing economies remained stable. As a result, developing economies accounted for a growing share of global FDI inflows in 2017, absorbing 47 per cent of the total, compared with 36 per cent in 2016. Even discounting the volatile financial flows, large one-off transactions and corporate restructurings that inflated FDI numbers in 2015 and 2016, the 2017 decline was still sizeable and part of a longer-term negative cycle. [17, P.2-3]

This negative cycle is caused by several factors. One factor is asset-light forms of overseas operations, which are causing a structural shift in FDI patterns. Another major factor is a significant decline in rates of return on FDI over the past five years. In 2017, the global rate of return on inward FDI was down to 6.7 per cent, extending the steady decline recorded over the preceding five years. Rates of return in developed economies have trended downwards over this period but stabilized. Although rates of return remain higher on average in developing and transition economies, most regionshave not escaped this erosion. In Africa, for instance, return on investment dropped from 12.3 per cent in 2012 to 6.3 per cent in 2017. This can be partly explained by the fall in commodity prices during the period. Yet the decline persisted in 2016 when prices stabilized, and rates of return on FDI to oil-rich West Asia did not weaken as much as in Africa. This suggests that structural factors, mainly reduced fiscal and labour cost arbitrage opportunities in international operations, may also be at work.

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Table 1: Inward FDI rates of return, 2012–2017 (Per cent) [17, P.3]

Region	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
World	**8.1**	**7.8**	**7.9**	**6.8**	**7.0**	**6.7**
Developed economies	**6.7**	**6.3**	**6.6**	**5.7**	**6.2**	**5.7**
Developing economies	**10.0**	**9.8**	**9.5**	**8.5**	**8.1**	**8.0**
Africa	12.3	12.4	10.6	7.1	5.4	6.3
Asia	10.5	10.8	10.6	9.9	9.5	9.1
East and South-East Asia	11.5	11.8	11.7	11.0	10.3	10.1
South Asia	7.2	6.7	6.1	5.5	6.4	5.7
West Asia	5.5	5.4	4.9	4.6	4.6	3.4
Latin America and the Caribbean	7.9	6.7	6.6	5.2	5.3	5.6
Transition economies	**14.4**	**13.9**	**14.6**	**10.2**	**11.1**	**11.8**

The place of FDI in economic restructuring, the relationship between the growth of attracting foreign direct investment and the modernization of the Malaysian economy, as well as the main directions of attracting foreign investment in the Republic of Uzbekistan in the context of modernization of the national economy, are investigated.

As a result of the study, we identified three main areas in which economic restructuring should be carried out, making sustainable economic growth possible:

- Expansion and industrialization of the service sector in accordance with the development trends of the information economy;
- Reorientation of the economy from low-productivity, low-tech industries to high-tech, based on new knowledge;
- The transition in every sector of the economy from low-tech products and services with low added value to high-tech products with high added value.

In these conditions, the influx of FDI for developing countries becomes, in essence, a factor that ensures the preservation and strengthening of positions in the intensifying international competition. Attracting of foreign direct investment is one of the priorities of the economic policy of the government of Uzbekistan.For a country, the value of foreign direct investment is determined not only by the ability to make investments in order to update the production base in the context of deep economic reforms, although this is also very important for the implementation of structural adjustment of the economy. No less weighty arguments in favor of the influx of foreign investment are the possibility of importing technological equipment, modern methods of management and organization of production, the use of trademarks of world famous companies, know-how, access channels of multinational corporations to world markets to expand export of products. These factors of modern production are usually acquired only with the development of foreign direct investment, however, they are the most important components of the competitiveness of the national economy in the context of globalization.

The analysis revealed that the share of foreign investments in the investment structure of Uzbekistan amounted to 29.3% in 2018, against 32.4% in 2016. The share of foreign direct investment in total foreign investment in 2007 was 75.8% (Figure1).

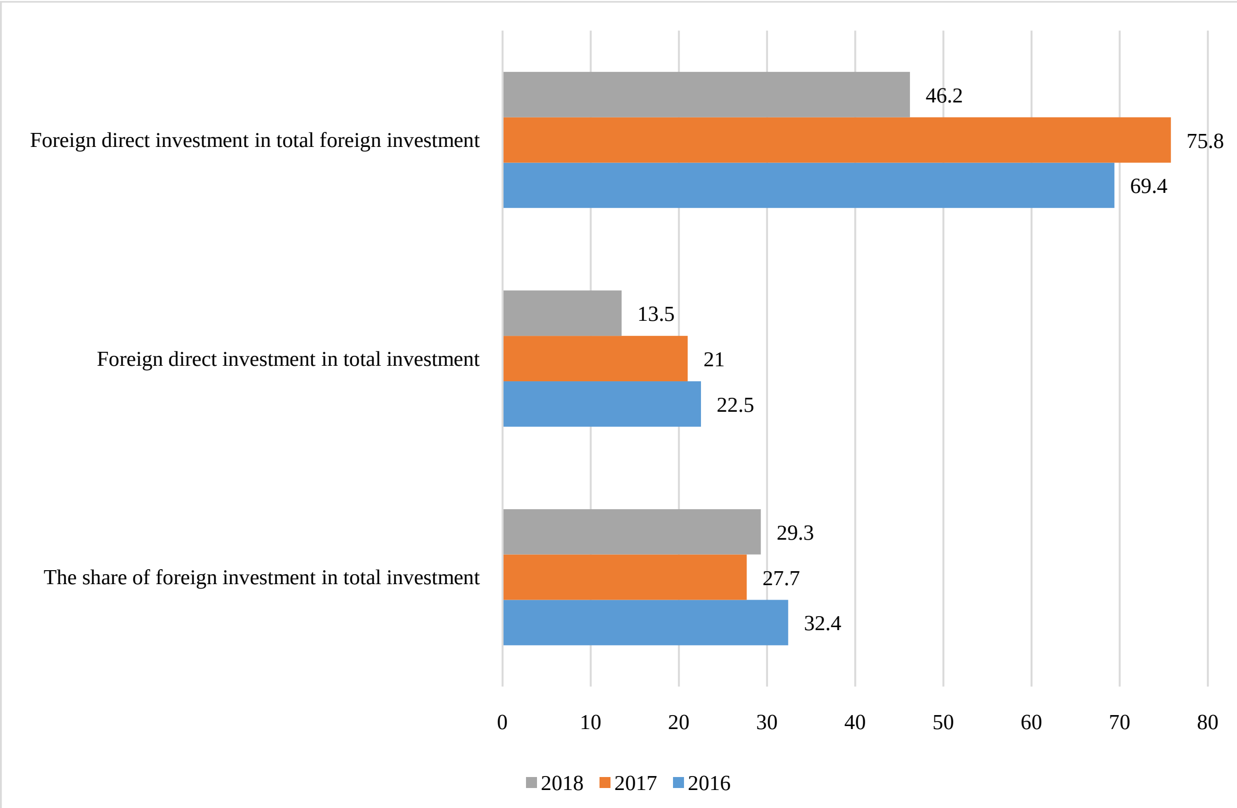

Figure 1: The share of attracted foreign investment in the economy of Uzbekistan (in%). [18, p. 96,114], [19, p. 60,73]

The increase in investment in the form of trade loans is undesirable from the point of view of economic development prospects. For this reason, stimulating of the attraction of foreign direct investment in the economy of the republic is currently the most effective factor in accelerating structural adjustment and the country's economic growth rate.

Stimulating of the attraction of foreign investment and increasing the efficiency of their use will allow Uzbekistan to solve the following problems:

- Increase the efficiency of export potential, overcome its raw material orientation;
- To increase the scientific and technical level of production with the help of new equipment and technologies, methods of management and marketing of products;
- To form complete technological cycles with the release of finished products;
- Increase tax revenues to the state budget;
- To promote the development of backward areas and the growth of special business zones;
- Create new jobs in the national economy;

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- -use modern production and managerial experience through training and retraining.

Malaysia is currently one of the world's largest manufacturers and exporters of integrated circuits, semiconductors, as well as textiles and clothing.

One of the prerequisites for such rapid progress, many researchers consider the proper use of FDI. Several periods can be identified in FDI inflows to Malaysia:

- Growth period - from 1981 to 1983, the period of the subsequent gradual reduction in inflow until the end of the 80s. For this purpose, a special body was created - the Federal Industrial Development Authority (later renamed the Malaysian Industrial Development Authority (MDA). Its purpose was to use the FDI inflow for development purposes. The Free Trade Zone Act, (was adopted in 1971) According to this Act, 10 zones were created, with subsidized infrastructure, facilitated customs clearance, and export and import tax exemption;
- Rapid growth in investment from the late 80s to the first half of the 90s (period of industrialization). Significant factors in this case were the cheapening of the US dollar and the price rise of the Japanese yen in the second half of the 80s.The revaluation of the yen stimulated a rapid increase in Japanese FDI in developing countries in East Asia, including Malaysia. The change in the Japanese yen against the US dollar and the influx of FDI into Malaysia showed a close dependence, as the main investment came from Japan. The influx of investments was facilitated by the adoption by Malaysia in 1986 of the Promotion of Investment Act, which significantly liberalized the conditions for attracting foreign investment in the country;
- Fluctuations in FDI inflows since the late 90s, a notable decline after 1998 and 2001. In the late 90s, in Malaysia, a course was taken to further modernize the national economy. In this regard, in relation to foreign investments, additional tax changes were introduced, providing for tax exemption for strategic and high-tech investments.

Japan, Singapore, the United States, Taiwan, and the United Kingdom were major investors in Malaysia before the 1997-1998 economic crisis. USA, Japan, Germany and Singapore increased investment in Malaysia after the crisis. In general, the crisis significantly reduced FDI inflows to Malaysia - from $ 5,106 million to $ 2,714 million; to mitigate its consequences, state control over the movement of capital was introduced (though this only applied to portfolio investments).

As a result, Malaysia almost recovered FDI inflows by 2001. Note that after 2001, the slowdown in FDI inflows was also caused by the cautious approach of many companies to investment plans due to the general slowdown in growth;

- Growth period until 2008. Malaysia relatively quickly restored the economy after the Asian crisis of 1997-1998. During this period, restrictions on the share of ownership in foreign capital owned by foreign investors were lifted. To encourage new investment in industry, investors were allowed 100% participation in the capital of companies, regardless of the level of export.

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In 2018, FDI in Malaysia recorded RM32.6 billion as against RM40.4 billion in the previous year. The FDI flows was in continuous downward trend since 2017 due to lower investment in Mining and quarrying sector.

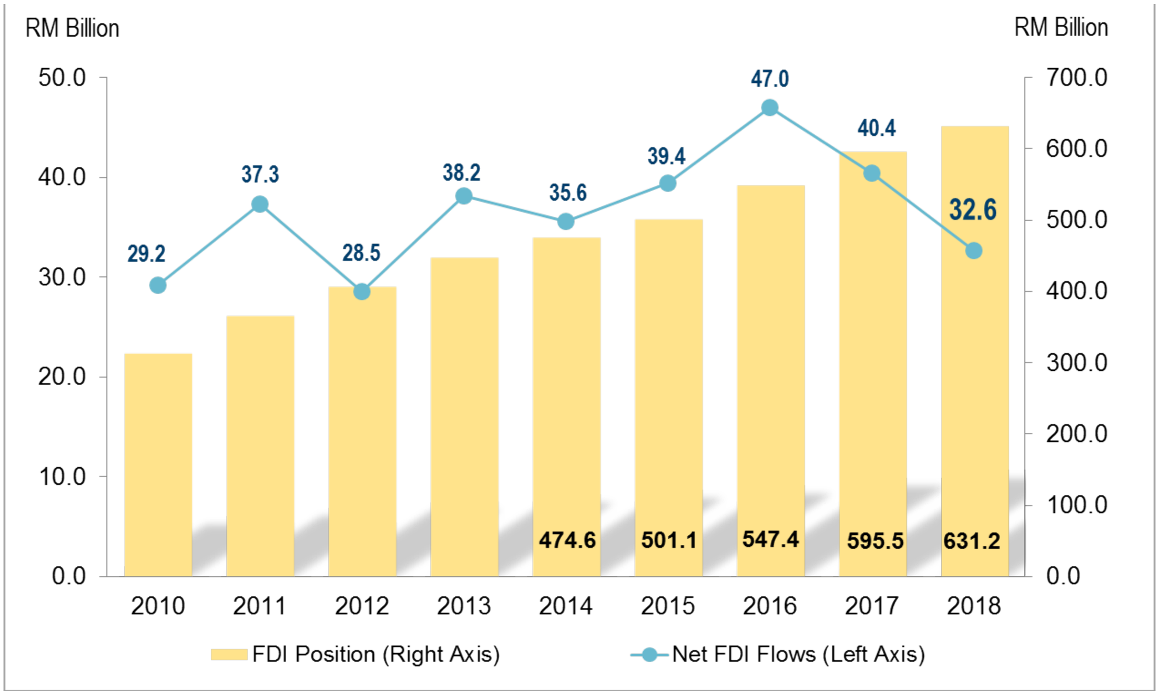

Figure 2: Foreign Direct Investment (FDI) in Malaysia, 2010 – 2018. [20]

From the total flows of RM32.6 billion, 44.9 per cent was from Asia region, while 33.7 per cent from Europe region. Hong Kong remained as the highest contributor from Asia region. The Services sector continued as the major sector particularly in Financial & insurance/ takaful and Wholesale & retail trade activities. This was followed by Manufacturing and Construction sectors.

As at end of 2018, the accumulated of FDI in Malaysia increased to RM631.2 billion (2017: RM595.5 billion), supported by Services and Manufacturing sectors. Singapore, Japan and Hong Kong were the top countries for FDI position.

The analysis showed that despite a sharp drop in portfolio investment, foreign direct investment remained positive sign. Here, the constraining factor is the underdevelopment of the stock market, which at the present stage cannot yet provide the interdisciplinary and interregional overflow of capital on the required scale.

In this regard, in Malaysia, a qualitatively new post-crisis development model is being formed based on the liberalization of the country's economy and the strengthening of the role of the private sector in investment processes.

World experience convincingly shows that the attraction and use of foreign investment contributes to the sustainable development of the economy and serves as a powerful incentive for deepening socio-economic reforms. The economic reforms that are being consistently carried out in Uzbekistan involve achieving of rational sectorial, reproductive and territorial proportions, developing integration processes, ensuring macroeconomic stability, etc..

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The Government of Uzbekistan has developed and approved a package of measures to stimulate exports, which also apply to enterprises with foreign capital. The Republic has all the institutional conditions to attract significant foreign investment: a well-formed legislative framework that defines the legal framework for entrepreneurship, the protection of private property and competition; created infrastructure to support the investment process; political stability; advantageous geographical position; rich mineral resources, as well as the development potential of the agricultural sector; skilled workforce; quite a capacious regional market.

Over 2016-2018, about 36 billion dollars of foreign investments were attracted to the development of the country's economy, including more than 13.3 billion dollars in 2018 (table 2).

Table 2: Disbursement of foreign investment and loans [18, C.96,114], [19, C.60,73]

	2016	**2017**	**2018**	**Change in 2018 in relation to 2016**
Investments, total, billion dollars	11,1	11,9	13,3	2,2
Foreign investments and loans, total, billion dollars.	3,6	3,3	3,9	0,3
The share of foreign investment in total investment,%	32,4	27,7	29,3	xx
Direct and others, billion dollars	2,5	2,5	1,8	-0,7
The share of foreign direct investment in the total investment,%	22,5	21,0	13,5	xx
The share of foreign direct investment in total value of foreign investment,%	69,4	75,8	46,2	xx

In 2018, US $ 13.3 billion, or 118.1% by 2017, was spent on the development of the economy and social sphere of the Republic of Uzbekistan at the expense of all sources of financing. In dynamics, investments in fixed assets in 2005 amounted to 2.0 trillion. soums, or increased by 12.0%, 2010 - 10.8 trillion soums, or increased by 9.0%, 2015 reached 28.5 trillion soums, or 8.1%.

In 2018, the volume of disbursed foreign investments and loans in fixed assets reached $ 3.9 billion, or 136.6% by 2017. The share of foreign investments and loans in fixed assets in the total volume of disbursed investments for the reporting period reached 29.2%.

At least five factors have affected the qualitative changes in foreign investment in the past and this year. Firstly, the liberalization of foreign economic activity and a general reduction in the tax burden.Secondly, the access of enterprises to raw materials, including in the oil and gas and mining sectors. The third factor they called the practice of applying a production sharing agreement, as well as targeted provision of benefits and preferences by concluding investment agreements with investors. Fourth, this is a noticeable intensification of trade and economic cooperation with a number of countries of the world, and above all with Russia, China, Japan, South Korea and some other countries, which today are considered by us as the main partners and with whom we build dynamic contacts in many areas, joint investment projects are being implemented or are planned for implementation.

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Although the investment policy pursued during the years of independence was, first of all, aimed at overcoming the existing structural imbalances and solving social problems by choosing investment priorities, there are still many unsolved problems in this area. These include the weak development of science-intensive industries, the insufficient technical and technological level of production, the required structural changes in the economy, its weak susceptibility to innovations, the need for increased management efficiency in enterprises and personnel training, etc.

II. Conclusion

The main conclusions and scientific results of the work are as follows:

1. The research revealed the objective need for the process of internationalization of the world economy on the basis of effective investment cooperation. The methodological foundations of the process of developing investment cooperation are based on deepening the cooperative interaction of partners with a balance of interests that reflects the process of combining resource potentials (commodity, financial, innovative, labor, etc.) to achieve the maximum possible effect in the reproduction process.

2. The research showed an organic interdependence of the processes of international cooperation and the division of labor and investment cooperation. The deepening of the international division of labor and its cooperation, as a dialectical unity of the components of the process of development of production relations, at the national level determines the reproduction process beyond the national framework and is accompanied by a more rapid development of the division and cooperation of labor on an international scale.

3. Globalization cannot be reduced to interdependence, since mainly asymmetric types of dependence in relations between different countries characterize the modern world economic situation. Real interdependence takes place only when the benefits of it are approximately the same for partners.

4. Analysis and systematization of previous theoretical studies of foreign scientists showed that the modern processes of economic globalization in the works of Western researchers are characterized mainly from a quantitative point of view and are defined as a sharp increase in international transactions, observed since the end of the last century.

5. At the present time of development of the global economy, FDI is one of the main factors in the accelerating process of globalization. The definition of FDI emphasizes their long-term relationship with management control, as well as the fact that assets of this kind cannot be regarded as sufficiently liquid, and that they do not constitute a one-time transaction, but generate subsequent financial, commodity, technological and other production relations, what makes FDI particularly attractive to developing countries.

6. The analysis of the motives and premises of the FDI movement allows us to compare different theories of FDI. From the point of view of the advantages of host countries, their characteristics such as growth rates, minimum market size, level of production costs, labor market conditions, exchange rate stability, debt availability and the country's solvency level, protectionism level, and the nature of investment legislation are considered. However, a study of the characteristics of the host countries does not fully explain the movement of FDI, which necessitates

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turning to the consideration of the motives of FDI from the point of view of firms involved in the investment process. In this regard, the "eclectic paradigm" is analyzed.

7. Based on the analysis of FDI at the early and modern stages of the development of internationalization, it is concluded that the world practice of using FDI is as contradictory as the process of creating and developing the world economy, since internationalization of the economy brings together national and international (global) economic interests, sovereign interests states, transnational corporations, world economic organizations, interests of the state and private capital.

8. The level of internationalization of the economies of developing countries achieved through FDI is viewed, on the one hand, as the volume of transactions caused by the movement of FDI (which includes FDI-related increase in exports and imports, increasing exchange of technologies, etc.), on the other hand, the share is estimated developing economies included in global production through FDI.

9. To identify the problems of the current state of internationalization of the economies of developing countries, a comparative analysis of the rather successful practice of attracting of FDI in Malaysia is carried out, using FDI in the interests of the national economy (including within the framework of regional international integration (ACEAN).

In addition, Malaysia is characterized by a sufficient size of its territory and population so that its experience can be applied in other developing countries, in contrast to such successful but very small Asian countries like Hong Kong or Singapore. The example of Malaysia is also interesting in that it is a model of a country rich in natural resources, which, nevertheless, thanks to the use of FDI opportunities, was able to switch relatively quickly to the export of manufacturing products, and quickly switch from simple to complex products (which also makes the experience of this country especially interesting to study).

10. Meanwhile, stimulating the attraction of foreign investments and increasing the efficiency of their use will allow Uzbekistan to solve the following problems:

- Increase the efficiency of export potential, overcome its raw material orientation;
- To increase the scientific and technical level of production with the help of new equipment and technologies, methods of management and marketing of products;
- To form complete technological cycles with the release of finished products;
- Increase tax revenues to the state budget;
- To promote the development of backward areas and special zones of entrepreneurship;
- Create new jobs in the national economy;
- Use modern production and managerial experience through training and retraining.

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