

Local Investment Climate and the Role of (Sustainable) FDI: The Case Of Georgia

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Abstract : The article focuses on the role of FDI in Georgia's economic development for the last decade. To attract as much FDI as possible a proper investment climate should be on the place-institutional, policy and regulatory environment. Well-developed investment climate is the chance and motivation for both, local economy and foreign companies, to generate maximum income, create new work places and improve the quality of life. FDI trend is one of the best indicators of country's economic sustainability and its attractiveness. Especially for small and developing countries, the amount of FDI matters, therefore, most of such countries are trying to compete with each other through improving their investment climate according to different world famous indexes. As a result of impressive reforms since 2003, Georgian economy was benefited with large invasion of FDI. However, the level of per capita GDP is still low in comparison to Eastern European countries and it should be improved. The main idea of the paper is to show a real linkage between FDI and employment ration, on the case of Georgian economy.

Keywords : foreign direct investment, employment, economic growth, taxes, corruption, sustainable development