

NAME – SURNAME: Baki ERDOĞAN

TITLE: The Climate of investment in the province of Aydın

ABSTRACT

Broadly, the investment climate can be defined as the “policy, institutional, and behavioral environment, both present and expected, that influences the returns and risks associated with investment” (Stern 2002). Three broad sets of factors make up the investment environment: (i) macro framework, (ii) infrastructure, and (iii) governance and institutions. Macro framework include macroeconomic stability (e.g., reasonable fiscal and external balances, realistic exchange rate, low inflation and interest rates), competitive markets, and social and political stability. Infrastructure does with availability and quality of physical infrastructure, such as transportation (roads and ports), telecommunications, power and water supply. Governance and institutions refer to transparency and efficiency in regulation, taxation, and legal system; strong and well-functioning financial sector; labor market flexibility and skilled labor force.

The proposal for solutions which is based on development, progress, and increasing the power of rivalry in a country in general terms with increasing the rate of employment and improving the climate of investment in special, has to focus on a macroeconomic framework including the improvement of political, legal and social environment and conditions which supports a successful economy in general. Sound financial and monetary policies, reliable and active legal infrastructure, established democratic institution and improvement in social conditions will contribute to a stable economy importantly. In addition to the fact that this general condition and institutions provide opportunities for increasing the prosperity, it can't be said that they were sufficient on their own. It shouldn't be forgotten that prosperity was created at a microeconomic level on the roots of economy and it should be achieved to improve the conditions which forms infrastructure on the development of company strategies and their procedures and to increase the quality of microeconomic business environment in which the companies in the country have been. As long as the improvements at a microeconomic level aren't acquired, macroeconomic; political; legal; and social reforms won't be productive.

It has been focused on the concept of the climate of investment and its components in this study, called “the climate of investment”. It has been attempted to determine a profile relating to the climate of investment in the province of Aydın, by studying on the qualities which will realize the potential and increase the success of the climate of investment in the province of Aydın.

In this framework, it has been tried to determine the common framework of the province of Aydın in terms of the climate of investment, the level of enterprises and institutionalization and the level of the services of infrastructure in the province.