

ROGNEDA GROZNYKH

Ural Federal University, Russian Federation

IGOR DRAPKIN

Ural Federal University, Russian Federation

OLEG MARIEV

Ural Federal University, Russian Federation

DETERMINANTS OF FOREIGN DIRECT INVESTMENT INFLOWS: THE CASE OF HETEROGENEOUS RUSSIAN REGIONS

Abstract:

The research is devoted to analysis of various regional factors that attract foreign direct investment. Taking into account that foreign direct investment can give a possibility to solve different social and economic problems, the main objective of the study is to reveal factors that promote foreign direct investment to regions of Russia. In the research two types of regions are considered: mining and non-mining. It is proposed that mining regions in Russia attract more foreign direct investment compared to non-mining ones. Therefore we provide econometric estimation on the database for 83 Russian regions for period from 2001 to 2017 using fixed-effects regression estimation. According to the results of the research a range of recommendations can be developed in order to enlarge foreign direct investment inflows.

Keywords:

foreign direct investment inflows, Russian regions, mining region, education, roads density, railway density

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