



## Analysis Effective Political Factors on Encouraging Investors to Facilitate Performance Investment Encouraging Policy in Municipality

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### ABSTRACT

Municipalities must try to make constant incomes and development and economic splendor for themselves. One of the optimum policy in this direction is development and promotion the culture of investment with using the potential of public and private sectors in the direction of constant and durable incomes in order to manage the affaires. Without doubt with proving to be true this aim, municipalities can take big steps to manage their policies and desires for economic development and welfare of citizenships. This present research has been done with the use of descriptive and measurement method in south province of west Azerbaijan. Statistical and research community was consist of 100 people; investment experts and managers in the south province of west Azerbaijan. These people are chosen with the use of sampling census method, data was collected with the use of constant and admissible questionnaire and analyzed with the SPSS 22 software. The result of investigations showed that political dimension is effective in encouraging investment for facilitate encouragement investment in municipalities.

**Keywords:** Political Factors, Investment, Municipality

**JEL Classifications:** E22, H54

### 1. INTRODUCTION

According to international community official statistics until 2050 all people around the world will be burghers and villagers and rural lose their meaning. If the above foreseeing doesn't prove to be true 100%, a major part of it will be prove to be true, and it means that also population in Iranian's cities will increase. From the space and population point of view Iranian's cities will grow up quantitatively, but due to shortage of financial sources in municipalities, lead to emerge serious problems for cities dwellers. To provide least urban standards for citizens it needs to supply financial sources and enforcement different urban projects. One of the financial sources is to take advantage of foreign investments from municipality. One of the very effective methods is put into force urban projects jointly- shares investment. While our country's municipality facing problem in providing least municipality financial sources, and even they cannot provide their current expenses from out of

internal structure, huge financial supplies waiting for proper place for investments, in the event that municipality and city managers can connect a little amount of huge financial supplies outside municipalities to the urban projects, development in the cities will happened. Municipality systems in our country design in a way that they run on the bases of receiving levies from people, factories and businesses and also municipality financial system that its manifestation is in statute transactions and financial approved in 1346/4/12 bases on employer and contract systems, tender, auctions envelop A, B (Shiraz municipality8: 2014).

Formation and organizing invest link together with economic expenses but it is joint turnover rate. When allocation of sources lead to increase of invest reserve material and human, Investment or organizing invest will be possible. Formation of invest is important factor and fundamental in development research. Because for producing investment goods, mediators

and delivering infrastructure service that is necessary condition of development, need invest (Raees, 2001). In early steps of growth and development savings is necessary and investment is difficult working. In this stage of development the important and also the most fundamental movement variable, is the process of accumulation more savings and turning it to investment, but as soon as one economic structure tends to from statistic to movement growth, This kinds of economic itself provide necessary invest for next stages development. Savings are the sources of investment formation.

In enforcement policy facilitate investment must try to pave the way necessary for effective investment and with legal support help investor and strengthening the investment. Recognizing the narrow passes, and obstacle for absorbing and increasing invest provide brightness prospective of effective factors for absorbing and increasing invest. To procuring and attracting private sector cooperation must pay attention to following axis; promote public willingness for participation in community, public tendency, setting and performance of urban development, provide and increasing new job opportunities, reform and reinforce framework of urban management, take advantage of consultant and expertise, informing in a clear manner and continually, and privatization (Ghasemi, 2008).

For facilitating investment, municipality's investment unit as a main administrator in investment sector and absorbing economic participation and first front encounter and discussing with client, wants to participate, meanwhile to provide prone spaces for investments must in addition to all its current activities in regard to in absorbing partners process through public recalling with approach to decreasing and facilitating bureaucracy dominate the municipality management system along with respect client and provide concentrating in actions regard to issuing necessary license, recognizing most of obstacles and removing them and preparing situations for these kinds of participations' private section the more facilitate and pave the ground for increasing reliability and provide security for investors and absorbing the investments.

In respect to above mention, municipality must try to provide constant revenue and development and splendor economic for itself. One of the ways to optimizing this, development and encourage investments and using potential of public and private sector along with providing constant and long lasting income- revenue for running the affairs. Undoubtedly reaching to this aim, municipalities can take big actions for enforcing their policies and desires to develop economic and well- being citizenship. Mahabad city and municipality also needs encouraging and investment culture, investor persuasion and propagate investment in Mahabad city so in regard to vicinity to border of Iraq country and connection of border cities to central, east, and southern part of the country doubled the importance of this matter. With this regard Mahabad's municipality understand this change, establish investment and employment unit for reinforcing necessary requirement and intend to take big step for going out of traditional pattern of urban management and promote investment in Mahabad's city. Investment unit in Mahabad municipality

intend to encourage external and internal potential and providing cooperation scope between investor and municipality, create proper condition for activity and making constant revenue. Finally in this report researcher wants to investigate literature and background of research and using comments and opinions of experts to recognize and prioritize effective factors in absorbing and persuade investor in Mahabad municipality and in the end present a pattern for investment sector in Mahabad municipality.

## 2. BACKGROUND OF RESEARCH

The aim of investigating the background of study is to make sure that variables which effected previous studies will not be ignored. It is possible that some of the very important variables did not discuss in the interview or experts couldn't specifying them or hadn't informed of their effects or the variables were so obvious for interviewee that they didn't consider them. If there are variables that during the interview didn't specified but, significantly affect the matter so without considering them the investigation and research will be useless. In this case it is possible the main reason until the end of research remain vague. To avoid of such thing researcher must consider and study all researches that have been done in relationship with this matter (Danaee et al., 2004).

Yet many researches have been done in relationship to investment, every one of them pursue different aims and assumptions and with regard to these use various methods and policies include the following:

## 3. INTERNAL RESEARCH

Rejaee and Khorasani (2015) in their article titled "recognizing and analysis obstacles for private sector investments of improvements Tehran's 10<sup>th</sup> zone municipality" with the use of field investigation, recognizing the existing barriers for investment in the area and present alternatives to solve and remove them. The result of investigations showed that tendency for selling instead of cooperating changing post and problems because of that displacement and caution are time consuming for signing contract (contract conclusion), contracts conditions problems in investigating projects, and problems for ownership after finishing project, transfer the ownership, expert and expert attitude toward investment, promote the more opportunity of the people's participation organization, investment packages, investment problems management in exploitation(operate) of projects, not being floating the contract, lack of security, closely set the contracts and inconsistency of conditions being described with stipulated condition in contracts, are the important existing obstacles for investing in private sector in 10<sup>th</sup> municipality area in Tehran.

Bani-mahd and Farzaneh (2014) in a research with the use of regression consider the recognition of determined factors on investment opportunity. The result of research denoted that the profitability index, financial lever, firm size and fixed property relative to total property are variables that effect on investment opportunity.

Kazemi et al. (2013) in an investigation with the use of TOPSIS method consider recognizing effective factors on absorbing foreign investment and ranking. In ranking 33 the specified factor in their research were prioritized factors such as; exchanging rate, security investment, expected rating for turn over the investment, government supporting policy of foreign investment, the possibility of transferring investment openly and existing economic infrastructure including road, energy, ports, internets.

Karimi and Moghadam (2012) in a research consider the effective factors on absorbing the investment in Arvand free zone in the period of 4 years (1388-1384) they with the use of descriptive and inference statistics investigate the correctness and the truth of assumptions presented in five categories; such as first infrastructure facilities and public, governmental organization investment, legal clearness, rules, proper notice about investment and also correct location in choosing geography limitation in Arvand free area. Finally with regard to the result of inference statistics the results of research demonstrate that lack of infrastructure facilities, absence of governmental organization investment inexpressive of rules and laws are the main obstacles for absorbing investments in Arvand free area.

Khajeh (1999) in a research titled “Analysis the obstacles of interior and exterior investments in Semnan province and presenting alternatives for absorbing inside and outside investments through library studies and use of experts opinions of Semnan province productive section, looking for existing obstacles in investments either interior or exterior and introducing necessary requirements for investing in Semnan province. Research results showed that respectively, economic factors, issued related to government and legal administrative, Cultural and regional factors have most important effect on absorbing interior and exterior investments.

Heibati and Ahmadi (2008) in a project investigate different dimensions public and private and the effective factor on successful performance in transferring infrastructure project of federal governments to private sectors (especially in developing countries). The results indicated that in this method private sector will be able through public - private cooperation contract present vast services during contract term, and public sector also while optimizing exploitation of knowledge, sources and innovation of private sector are more successful for presenting effective and impression services.

Brjnisian (1998) in a research called “effective factors on private investment in Iran (1338-1374),” investigated effective factors on private investment in Iran and emphasized on few instabilities of macroeconomic variables. The result of research showed that growth of gross internal product has positive effect on share of private sector investment in national income. the effect of government’s infrastructure investment on private investment was positive and government’s non-infrastructure investments were negative.

#### 4. EXTERNAL RESEARCH

Le Hoang (2015) in a research titled “determine factors in direct external investments in Vietnam’s Thanh Hoa state”, make known

main effective factors in absorbing investments related to direct external investment in Vietnam’s Thanh Hoa state. He concluded that factors such as infrastructure and financial matters in absorbing investment were more important than social and cultural factors in present situation of Thanh Hoa state.

Nadaparin (2014) in a research near the border of north of Thailand titled “policy for promoting investment in the special border zone” considered the interior and exterior investors in north border zone of Thailand. The result of the research showed that investment patterns must proportionate to the national, local, border and international level along with optimizing worth of border link.

Anila and Vasila (2014) in a research called “effective factors in choosing proper situation for direct external investment in the different part of Romania country “, looked for effective factors which lead to develop industry section, that assessment based on data received from firms and companies responses in the relation to different important factors for investors’ decision making in Romania area. Results showed that there are local differences in Romania’s attractions in different part. Investigations showed that if entrance expenses access to workforce and sources take into account by investors as an important factor for investment in Romania, it is lead to that all parts of the country become more attractive for imputing the foreign investments regard to Bucharest zone.

Fotious et al. (2014) in a research titled “pure (best) year’s private sector investment in Greece rural area “with the use of structured questionnaire assessed the potential rate for completion investment in rural area. The result of investigations showed that extensive percentage of investment affected with (involved with) lack of liquidity and in many cases failed.

Morrissey (2012) in a research called “sovereignty of private investment and direct foreign investment in developing countries” with the use of total annual of data for 46 developing countries, during periods of (1996-2009) consider the relationship between government and direct foreign investment and private investment and concluded that government indexes including political stability, non-existence of violence, quality of supervision, legal sovereignty and to manage corruption have direct effect on absorbing private investment and direct foreign investment and the rate of corruption and political instability were more effected than of all governmental investment indexes.

Chen (2012) in his research called “policies for promoting investment and employment through foreign companies in United States “consider relationship between characteristic of government and achievements arising from direct foreign investments in United States. The results of research indicated that governmental business encouragements such as running free zone business area, expenses for public services even with imposing company’s income tax and establishing foreign administrative centers in special countries from statistical point of view have significant effects on employment and recruitment in united states. Researchers Decai and Giasi (2012) in an investigation called “china’s foreign commerce-policies effects of china’s, Africa direct foreign

investment” they with the exploitation of statistic and descriptive methods consider to investigate effectiveness of job creating activities and china’s investments in Ghana’s economic. Also consider the quality of products and services are presented to the different parts of Ghana’s economics, the role of foreign investments in Ghana’s economics. the result of the research showed that in past 5 years ago more than 80 percentage of China’s investment in Ghana activated in productive lands construction - infrastructure and public trends.

Mosolisi (2011) consider the effect of government infrastructure investment on exploitation of private sector for four big countries: U.S, Britain, France, and Germany through defeat in cumulative vector the method that researcher Gregory and Hansen suggested. Findings of this research denoted that first, investigate defeats can be important for finding true relationship in long run. Secondly, when defeat happened in case of France and Britain product tension in related to infrastructure investment have negative displacement after defeat. And thirdly, oil crises effect on short time behavior (action- operation) until it effects on long time equilibrium. Fourthly, in the four countries under investigation there are differences that express importance of considering countries heterogeneous in special period.

Donolo and Agbon (2010) investigate the effective factors on investment in 1970 to 2008 in Nigeria. The result of research express that exchange currency rate action and the size of investment market economic and political stability are determined factors and important for the growth of investment. Among above variables exchange currency rates is the most important effective factor on internal investment and economical and political instability are the important variables for the absence of growth in Nigeria.

Albert et al. (2010) in a research titled “potential barriers in successful performance of private and public cooperation in Beijing area and administrative free zone in Hong Kong” with the measurement of the main barriers they considered successful performance of public and private cooperation in Beijing and Hong Kong. On the basis of research finding they considered three barriers, respectively; delay in discussions, absence of experience and enough skills, long delay because of political dispute and discussion are as a main barriers in cooperation development in Beijing, that the first and third one also true in Hong Kong. Researcher Hatalo considered the effect of public investment on private investment in Japan. The results showed that there is cumulative relationship between public and private capital. On the basis of the relationship of public and private investment with the use of error correction model is suggested to attain long run stock equilibrium. Assessment of error correction model emphasis on existence of positive effect public on private investment.

Nasio (2006) in a research called “process and attitude toward financial public municipality in developing countries” in an investigation about structure of municipality income in developing countries he concluded that existence of transparency in legal performance is an important factor in development of private sector cooperation and interaction with municipality to supply local finance. in a research called “public- private sector

cooperation in presenting services “considered the advantage of this kinds of cooperation and suggested that private sector has the important and increasing role in production and presenting goods and services that they consider public and for the same reason providing them exclusively are government responsibilities. For many reasons tendency (desire) for private - public investment and other kinds of cooperation has been increased. One of these reasons is that neither federal nor local governments in majority of countries have enough budgets for developing services and infrastructure and subsidies and existing financial helps are not enough. Involving private sectors in these sections usually leads to increasing management capacity and potential and have access to new technology and special skills that government themselves cannot develop them.

## 5. METHODOLOGY

Present research has been provided following analysis of effective economical and social factors on encouraging investor for facilitate to enforce encourage investment policy in municipality. Research statistical community includes experts and investment managers in municipality’s south of west Azerbaijan province were 100 people which were chosen with the use of sampling census. Independence variables in this research includes effective economic and social factors to encourage investor for the facilitate performance of encouragement investment policy in municipality, and dependent variable in this research experts and managers investments’ point of view in municipality south part of west Azerbaijan province relative to investment which measured in Licorate spectrum. Main tools for collecting data is questionnaire includes specialized questions related to economic and social dimensions that compile on the basis of background and review research literature. For determining the proper questionnaire authorized people and experts’ opinion on the ground of investment were used include; university professors and investment managers (scientific and practical elites) and reforms has been done. In this research equipment strength was earned with the use of Kornbakh alpha test equal to 0/972, this amount are acceptable for research equipment. Equipment strength means that between different respondents under investigation same understanding of question exists. Questionnaire presented to experts and managers investments in municipality south part of west Azerbaijan and data were collected this way. Following up the aims of research has been done with the use of analysis technic exploration factor and data were collected processed and analyzed with the use of SPSS 22 software.

## 6. FINDINGS

### 6.1. Economic and Social Factors Effects on Encouraging Investor

In table one shows indicators that has been done with Delfi method by experts in two runs. In this stage forty (40) numbers of indicators from research variables has been extracted from books, articles and various interior and exterior researches. After that consultants’ opinions from municipalities investor in regard to research indicators evaluated with the help of Likret Critrion

Standard and then with the use of Kandal agreement coefficient specified indicators accepted or rejected. If the coefficient is between 0/5 and one, indicators have acceptable conformity and if coefficient is between 0 and 0/49, indicators will not have acceptable conformity regarding to compilation, buoy rational questionnaire.

With due attention to above Table 1 findings, in the first run, the member of panel distinguished 26 number of factors among effective factors on encouraging investor of total 40 factors which extracted from previous research have strong effects on

encouraging investor that is, member of Delfi group rejected 14 cases of the indicators in the first run.

In the second run, the member of the panel again announced their opinions about factors and also, amount of effect and importance of every accepted indicators in the first run (that is, 26 indicators). In addition, in the second run the member of the panel again repeated the same opinion in the first run. Therefore, rejected nine indicators from remaining total 26 indicators in the first run and add nine other indicators. So, in this research the Delfi technic concluded in two runs. The amount of Kandel

**Table 1: Accepted or rejected indicators encouraging investor for facilitating enforcement encouraging investment policy in local government with the use of Delfi technic in the first and second run**

Row	Indicator	First run		First run result	Second run		Second run result
		Average	Standard deviation		Average	Standard deviation	
1	Economic stability in different economic indicators (interest rate, market stabilization)	4/25	0/639	Accepted	4/20	0/768	Accepted
2	Easy access to capital and assets	4/35	0/671	Accepted	4/45	0/605	Accepted
3	Present more facilities to productive sections	1/45	0/510	Rejected			
4	Affordability Payment in society	1/90	0/641	Rejected			
5	Stability in exchange rate	4/35	0/671	Accepted	4/50	0/513	Accepted
6	Suitable economic planning for investment (facilities, completion, rules, administrations)	1/75	0/550	Rejected			
7	Interest rate stability compare to investment requirements'	2/20	0/951	Rejected			
8	Accessibility to industrial, productive, and service provider in the region	4/20	0/696	Accepted	4/35	0/671	Accepted
9	Existing infrastructure possibilities such as road, railway, airport	4/25	0/639	Accepted	4/30	0/657	Accepted
10	Regulate suitable bank facilities rate proportionate to conditions of product and service presentation	4/05	0/605	Accepted	4/10	0/553	Accepted
11	Organizing qualified economic and administration's institutions	4/20	0/834	Accepted	4/20	0/834	Accepted
12	Holding business free zones for developing investments	4/40	0/681	Accepted	4/35	0/745	Accepted
13	Government investment as a substitution private sector	4/35	0/475	Accepted	4/40	0/754	Accepted
14	Increase bank facilities and credits'	4/15	0/671	Accepted	4/25	0/639	Accepted
15	Workforce accessibility	4/35	0/745	Accepted	4/40	0/821	Accepted
16	Investigating existing investors in the ground of target investment (competition)	4/20	0/768	Accepted	4/20	0/768	Accepted
17	Controlling input expenses' necessary for investment	4/30	0/657	Accepted	4/35	0/671	Accepted
18	Controlling direct expenses for public goods and services	4/30	0/801	Accepted	4/20	0/894	Accepted
19	Controlling inflation rate in the market	4/40	0/598	Accepted	4/50	0/607	Accepted
20	Controlling the expenses of exchanging facilities and securities and etc.,	4/10	0/641	Accepted	4/20	0/696	Accepted
21	Controlling expenses for public services	4/45	0/681	Accepted	4/55	0/759	Accepted
22	Having knowledge and expert's view relative to investment	4/35	0/813	Accepted	4/10	0/912	Accepted
23	Existing suitable culture of work and production in investment	4/35	0/587	Accepted	4/50	0/513	Accepted
24	Believes, values and individual and social characteristics	4/05	0/826	Accepted	4/10	0/718	Accepted
25	Value of investments reflect in production and services	3/05	1/05	Accepted	3/15	0/933	Accepted
26	Cultural relationship and communication in society	4/20	0/834	Accepted	4/30	0/801	Accepted
27	Express value of thoughts investments in society's mental order	4/15	0/745	Accepted	4/15	0/745	Accepted
28	Development of interior tourism for encouraging exterior tourist	2/30	1/22	Rejected			

(Contd...)

**Table 1: (Continued)**

Row	Indicator	First run		First run result	Second run		Second run result
		Average	Standard deviation		Average	Standard deviation	
29	Existing effective management in the local and national level	4/30	0/801	Accepted	4/30	0/801	Accepted
30	Religious believes	4/20	0/768	Accepted	4/20	0/768	Accepted
31	Existing suitable possibilities public services, entertainment, health	4/15	0/745	Accepted	4/20	0/834	Accepted
32	Up to date technology and promote know-how	2/45	1/32	Rejected			
33	Controlling unofficial new and rumors in public and private market	2/28	1/04	Rejected			
34	Non existing discrimination between productive and service provider sector	2/85	1/35	Rejected			
35	Controlling effects rising from state economic sanction in international level on society`s internal economic	3	1/17	Rejected			
36	Free transaction of capital-invest	2/60	1/23	Rejected			
37	Existing service – consultant investment- organizations	1/75	0/639	Rejected			
38	Investors cooperation in interact suggest/feedback to develop investment	2/95	1/23	Rejected			
39	Existing healthy competition in different sections Market	1/95	0/686	Rejected			
40	Local services and productive commodities competitively	1/90	0/718	Rejected			

conformity coefficient provided for measurement rate of experts unanimously in the first run was 0/523, and in the second run Kandel conformity coefficient showed the rate of expert`s opinion and censuses equal to 0/733 (Table 2).

Since Kandel coefficient in the second run (0/733) compare to first run (0/523) had significant growth, therefor in this stage concluded Delfi process and at the end accepted indicators finalized and presented in Table 3.

**6.2. Analysis of Accepted Factor for First Time**

In the method of analysis of accepted factor, at first it is necessary to investigate admissible of structure until it is determined that chosen indexes for measuring specified structures have enough accuracy. So, that the load factor of every indexes with its structure have amount of t above 1/96 and positive. Therefore, this index has enough accuracy for measuring structure or attribute quality (Brnstrin, 1994). In the Table 4 has been shown the amount of load factor and t statistical for indexes legal and administrations component and its indicators.

On the basis of Table 4 it is specified that three byous; existing suitable possibilities, public, entertaining and health services, workforce accessibility, easy access to capital and assets, accessibility to industrial areas because of having t amount lower than 1/96 it is not enough important for measuring, and therefor remove from analysis process. Other indicators that have amount t above 1/96 they use in the analysis process. However admissible structure variable that has been chosen for investigating accuracy and importance of indexes concluded for measuring structure, it shows that remaining indexes provided suitable structure factor for measuring dimension of research in case.

**Table 2: Result of the conclusion of Kandel conformity coefficient for double run Delfi**

Run	No.	Kandel coefficient - VI
First	20	0/523
Second	20	0/733

**6.3. Diagnostic Admissible**

In this research in addition to structure admissible that is used to investigate importance of chosen indicators for measuring structures, also diagnostic admissible take into consideration that is, at the end indexes of every structures provided suitable separation in measurement point of view relative to other structures model. In other words, every indexes just measure its structure and their components must be in the way that entire structure separated each other completely. Therefore, with the help of extracted variance average indicator, it is specified that entire structures investigating have extracted average variance (AVE) above 0/4 and these coefficient has been shown in Table 5.

The results of diagnostic admissible showed that chosen indexes for measuring existing structures have necessary diagnostic admissible because on the basis of Table 5 it has been specified that at first all of structures have the amount extracted variance above 0/4.

**7. CONCLUSION**

On the basis of finding results (Table 3) and according to experts and investment managers` point of view in the south province of west Azerbaijan municipalities, economic dimension in four components ; such as economic activities easiness, monetary and financial stability, economic support and controlling investment expenses, and social dimension is in two components, such

**Table 3: Economic and social dimension, components and indicators**

Dimensions	Component	Indicators
Economic	Economic activity easiness	Easy access to capital and assets, access to industrial, productive and services in region, increasing bank credits and facilities, workforce accessibility and existence of infrastructure possibilities
	Monetary and financial stability	Economic stability in different economic indicators( interest rate, market stability) exchange rate stability, regulate bank facilities properly proportion to production and services conditions, controlling inflation rate
	Economic support	Organize qualified economic and administration institutions, hold free commercial zones for developing investments, government investments as a substitution private sector, existing proper possibilities, public, entertains, health services
	Controlling investment expenses	Investigate existing investors in the target investment (competition) controlling direct expenses of commodities and public services, controlling transacting, facilities and securities expenses, controlling expenses for government services
Social	Knowledge and ability	Specialism and having specialize view relative to investment management abilities in local and international level
	Investment culture	Religious believes in investments, promote and express value of investment thoughts in society, believes, values and individual and social characteristics, existing proper work and productive culture in investments, cultural relationships and communications in society

**Table 4: The amount of load factor for economic indexes**

Structure	Components	Byous	Load factor	T statistics	Result
Economic	Economic activities easiness	Easy access to capital and assets, access to industrial regions	0/423	Load factor lower than 0/5 and index rejected	Index acceptance
		Access to industrial, productive and service providers in the region	0/777		
		Increase bank credits and facilities	0/806		
		Workforce accessibility to these possibilities	0zx/370		
	Monetary and financial stability	Existing infrastructure possibilities	1	3/46	Index acceptance
		Economic stability in different economic indicators (interest rate, market stability)	0/756	12/375	
		Stability in exchange rate	0/516	4/351	
		Suitable regulation in bank facilities rate proportionate to productive and services conditions	0/749	19/812	
	Economic support	Inflation rate control	0/634	8/699	Index acceptance
		Organize qualified economic, administrative institutes	0/863	25/446	
		Hold business free zone for developing investment	0/832	20/914	
		government investment as a substitution private sector	0/865	36/318	
	Controlling investment expenses	Existing suitable possibilities public, entertaining and health services	0/337	Load factor lower than 0/5 and index rejected	Index acceptance
		Investigating available investment in target investment (competition)	0/648		
Controlling input primary expenses necessary for investment		0/798			
Direct expenses controlling, commodities and public services		0/811			
Controlling expenses exchange facilities, securities and etc.,		0/854			
Controlling public services expenses		0/649			
Social	Knowledge and citizens abilities	Specialism and special view relative to investment	0/931	67/307	Index acceptance
		Management abilities in local and national level	0/928	63/442	Index acceptance
	Social investment culture	Religious believes in investment	0/732	11/195	Index acceptance
		Promote and express investment value of thoughts in society's mental order	0/850	26/195	Index acceptance

(Contd...)

**Table 4: (Continued)**

Structure	Components	Byous	Load factor	T statistics	Result
		Believes, values and individual and social characteristics	0/971	153/259	Index acceptance
		Suitable cultural available work and product in investments	0/933	72/254	Index acceptance
		Relationship and cultural communication in the society	0/939	70/985	Index acceptance

**Table 5: Investigating the amount of extracted average variance**

Dimension	Component	Extracted variance (AVE)	Acceptable level	Compound duration	Acceptable level
Economic	Economic activity easiness	0/660	0/4	0/853	0/7
	Monetary and financial stability	0/450	0/4	0/762	0/7
	Economic support	0/729	0/4	0/890	0/7
	Controlling investment expenses	0/573	0/4	0/869	0/7
Social	Knowledge and citizens abilities	0/864	0/4	0/927	0/7
	Investment culture	0/790	0/4	0/949	0/7

as supervise, knowledge and ability and investment culture are effective in encouraging investor for facilitating enforce encourage policy investment in municipality. Also on the basis finding (Table 4) denotes that 3 byous such as; existing proper possibilities, public, entertainment, and health services, workforce accessibility to possibilities, ease access to capital and assets, access to industrial regions because of having t amount <1/96 does not have enough importance for measuring, therefor removed from analysis process. Other indicators that have t amount above 1/96 enter to analysis process.

In addition investigating diagnostic admissible (Table 5) showed that chosen indexes for measuring existing structures they have necessary diagnostic admissible, because all structures had extracted amount variance upper than 0/4. As a whole the result of research indicates that measurement accuracy in every structure by own indexes has the most because, first according to the result of structure admissible shows that every indexes has significant load factor with its structure and second every index just has measured its own structure and indexes with disorder in structure measurement has not been seen. On the basis of result of diagnostic admissible this matter can be distinguish.

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