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Examining the Applicability of Specific Approaches for Evaluating the Investment Environment in Countries with Transition Economies

Keywords: international investment; investment attractiveness; comparative evaluation; applicability; information coverage

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Abstract

Theoretical background: When making a decision on foreign investments, it is crucial for investors to have a clear understanding of both the potential of the host country and the risks awaiting them. To date, numerous approaches have been developed for assessing the business environment and investment climate (attractiveness) of countries. These developments are based on the research of international organizations, rating agencies, business schools, scientific and research institutions. Among them there are both universal (e.g. Harvard Business School, The Doing Business, Political Risk Services) and specialized (e.g. Method-

ology of the Bank of Austria, RAEX-Analytics) approaches. The abundance and diversity of methodologies have generated numerous studies aimed at their classification and comparative analysis.
Purpose of the article: The aim of this article is to conduct a comparative assessment of selected specialized methodologies for evaluating the investment attractiveness of countries and classify them according to the Applicability Matrix.
Research methods: The authors reviewed the literature in the field of investment theory and investment climate assessment, as well as materials containing a direct description of the methodologies for assessing investment climate themselves, algorithms for their application and the results of previous evaluations. The application of the system critical analysis method allowed for a comprehensive examination of the selected approaches and determination of their key characteristics, advantages, and disadvantages. The research procedure also necessitated the utilization of expert assessment method to conduct a weighted comparative analysis of the applicability of the methodologies.
Main findings: Within the study, the characteristics, strengths, and weaknesses of the selected specialized methodologies for evaluating investment attractiveness were identified regarding to two key dimensions: information coverage and complexity. The main results include a comparative evaluation of the practical applicability of selected methodologies for assessing the investment climate, as well as their classification into groups with relevant qualitative characteristics according to Applicability Matrix.

Introduction

One of the basic components of the foundation for sustainable economic development of any country is its ability to attract foreign investment resources. Each country has its unique characteristics that can influence the effectiveness and the payback period of investment projects implemented within its territory.

A distinct group in this context comprises countries in transitional economic periods or those recovering from significant socio-economic and political crises. On the one hand, investments in such territories typically offer substantial competitive advantages, such as low labour costs, simplified access to resources, growing market, which ensure accelerated returns on investment. On the other hand, they are associated with increased risks due to the underdevelopment or restructuring of state and legal institutions, high levels of bureaucracy and corruption. As a result, these countries often face challenges in establishing stable business environments and providing sufficient investor protection leading to a lack of clear "rules of the game" (Jakubczak, 2020).

In the context of allocating capital to an economy undergoing transition, the process of arriving at a well-informed investment decision assumes utmost significance. Investors must diligently acquaint themselves with the merits and plausible risks linked to the target host country. Thus, a thorough study of the investment climate is of considerable importance to facilitate the final decision regarding the implementation of capital investments, both for internal and external investors.

Over the past three decades (since the dissolution of the Soviet Union), a wide range of methodologies have been developed to assess the investment attractiveness of transitional economies. Due to objective reasons, the majority of these methodologies have focused on the Russian Federation. However, in our view, given the

similarities in development models, legal and governance systems, political and socio-economic structures, as well as shared history, these approaches can be adapted to the realities of many other countries in the former socialist bloc.

The study of these methodologies gains additional relevance due to the on-going war in Ukraine and the protracted socio-political crisis in Belarus. With a high probability, these countries, as well as Russia, are expected to undergo new transitional periods characterized by significant changes in their economic, political, and social landscapes. Understanding and evaluating the investment climate in these contexts becomes crucial for investors and policymakers alike, as it allows for informed decision-making and risk assessment in the face of uncertain and evolving circumstances. In such situation, capital owners are inevitably faced with the question of which methodology to rely on when making investment decisions and whether it is possible, if necessary, to conduct the analysis themselves using the chosen methodology's algorithm.

Based on the results of a previous research (Kulakou et al., 2021), the following methodologies were selected for the analysis: Methodology of the Bank of Austria (Regional Risk Rating in Russia); Methodology of the company RAEX-Analytics; Methodology of RSPP and KPMG; the National Rating Agency (NRA) methodology; Methodology of the Agency for Strategic Initiatives (ASI).

The main objective of this research is to conduct a comparative analysis of the applicability of selected methodologies for assessing the investment climate of countries and classify them into relevant groups. The findings of the research can provide valuable insights for making well-informed decisions in choosing an investment climate assessment methodology, benefiting both capital owners when considering potential investment countries and governmental bodies in identifying areas of concern within their own country's investment climate. Additionally, these research results can contribute to the development of enhanced assessment methodologies by scientific institutions, rating agencies, and other stakeholders.

Literature review

The study of the investment climate is one of the important and topical issues that occupy a significant place in modern economic theory and practice. It represents an active and constantly evolving area of research that continues to be a focal point of attention for many scholars.

The assessment of the investment climate is an integral part of the decision-making process regarding the direction and scale of international investments. Until now, numerous approaches have been devised to evaluate the investment climate (attractiveness) of countries and specific regions (Hybka, 2016). These methodologies have emerged from extensive research conducted by renowned rating agencies, business schools, scientific and research institutions as well as international organizations. The

continuous advancement and refinement of these assessment methods demonstrate the on-going commitment of researchers and experts to enhance the accuracy and reliability of investment climate evaluations.

In scientific literature, a plethora of approaches can be found for conducting comparative analyses and categorizing methodologies used to assess the investment climate. The choice of approach often depends on the specific criteria employed as the basis for evaluation. The most frequently encountered criteria encompass the following aspects:

1. Approaches underlying the assessment such as risk-based, factorial, integral-factorial, and others (Narolina, 2007; Sheveleva & Nacheva, 2012; Vakulich & Kliuchnyk, 2018; Yakushev & Mazilov, 2020).

2. The objectives pursued through the assessment, including the identification of risks, determination the potential of the region, identification of investment-attractive regions, etc. (Sheveleva & Nacheva, 2012; Yakushev & Mazilov, 2020; Zaykovskiy et al., 2015).

3. The balance between qualitative and quantitative evaluations (Alexandrova, 2015; Yakushev & Mazilov, 2020).

4. The manner in which the final results are presented, whether through a rating scale, matrix representation, general quantitative assessment, and other formats (Narolina, 2007; Vakulich & Kliuchnyk, 2018).

In the course of analysis, researchers typically focus on comparing the methodologies, assessing their strengths and weaknesses, and examining the range of indicators utilized (Alexandrova, 2015; Bulatova, 2018; Sheveleva & Nacheva, 2012; Yakushev & Mazilov, 2020). Through these diverse approaches, researchers aim to provide comprehensive and nuanced comparisons and classification of different methodologies.

While acknowledging the significance of the examined approaches, it is worth noting that most of them neglect essential criteria crucial for both the analysis and classification of methodologies. In our perspective, two paramount criteria are often overlooked: the complexity of the methodology, and the information coverage that assesses the extent to which the methodology reveals existing opportunities and risks.

It should also be noted, that in the economic literature, there are no comprehensive studies of the practical applicability of investment attractiveness assessment methodologies from the perspective of third-party users. Therefore, the paper can fill the existing gap in this area and become the basis for the improvement of existing approaches.

After thoroughly examining different approaches to analysing and classifying methodologies for assessing the investment climate, we have determined the need for a comparative analysis along two primary dimensions: information coverage and applicability. To achieve this, we have developed a classification framework utilizing our proprietary Applicability Matrix (AM), which enables the evaluation of methodologies based on four key criteria.

Research methods

The study consisted of two stages. The task of the first stage was to conduct a detailed examination of each approach, identifying their common characteristics, distinguishing features, strengths and weaknesses. The second stage involved a direct comparative assessment of the applicability of the methodologies, with their placement on the previously developed AM.

In our previous study, a classification framework was formulated to categorize the factors that influence the investment climate of a country into seven primary groups: economic and financial, political, legal, geographic, socio-demographic, technological, and infrastructural (Kulakou, 2021). This classification formed the foundation for conducting a comprehensive analysis of the subject matter at hand.

At the initial stage of the research, employing methods of systemic and critical analysis, a comprehensive examination of academic and practical publications was conducted. These publications pertained both directly to methodologies for assessing the investment climate and approaches to their classification. Within this analysis, particular attention was given to identifying the factors under evaluation in each specific approach. This made it possible to determine their fundamental characteristics, as well as to identify strengths and weaknesses.

During the second stage of the research, four key criteria were selected for conducting a comparative assessment:

1. Information coverage – the number of analysed determinants and groups (out of seven selected groups).

2. Ease of use – the complexity of the analysis algorithm and whether special knowledge and skills are required for its implementation.

3. The variety of the approaches in use – refers to the basis on which the assessment is conducted, including whether it solely relies on expert evaluations or incorporates quantitative analysis, integral indicators, and other methods.

4. Availability of information – how easy it is to access the information needed for analysis.

Each criterion was evaluated on a four-point scale ranging from 1 to 4 with the possibility of fractional ratings.

In essence, these criteria characterize two main components: informational – includes information coverage and the ability to obtain the necessary information; operational – includes the variety of the approaches in use and simplicity of the algorithm. The assessment of each component is also given on a four-point scale, by analogy with the system used in the previous step.

Furthermore, to facilitate classification and enhance the visual representation of the analysis results, we have devised the AM for methodologies for assessing the investment climate. The AM comprises four main group quadrants, each of which is further divided into four quadrants for the convenience of evaluation. The horizontal axis of the matrix reflects the information component, and the vertical axis reflects the operational one.

Group quadrants have the following aliases: Aliens – low information coverage and complexity of use (matrix coordinates: 1:1, 1:2, 2:1, 2:2); Guides for beginners – low information coverage but easy to use (matrix coordinates: 1:3, 1:4, 2:3, 2:4); Macadamia nuts – hard to crack, but very informative (matrix coordinates: 3:1, 4:1, 3:2, 4:2); Stars – very informative and easy to use (matrix coordinates: 3:3, 3:4, 4:3, 4:4).

The comparative analysis of the applicability of the selected methodologies for assessing the investment climate, as well as their placement on the AM, were conducted using the method of expert assessments.

The sources of information for the research included scientific publications in the field of investment theory and investment climate assessment, as well as materials that directly provide descriptions of the methodologies, algorithms for their application, and the results of previous evaluations.

Results

According to our early studies, currently the problem lies not in the lack of methodologies but rather in the limited information coverage and the complexity of approaches that enable effective assessments at specific stages of economic system development, particularly during periods of radical transformations. In the context of rapidly changing economic environments and instability, conventional methodologies may fail to consider all aspects related to transitional processes. Therefore, it is crucial to develop and employ flexible and adaptable assessment methods that can account for the peculiarities of transitional periods and yield more accurate and reliable results.

For the analysis conducted in this study, five methodologies were selected: Methodology of the Bank of Austria (Regional Risk Rating in Russia); Methodology of the company RAEX-Analytics; Methodology of RSPP (Russian Union of Industrialists and Entrepreneurs) and KPMG; The National Rating Agency (NRA) methodology; Methodology of the Agency for Strategic Initiatives (ASI).

These methodologies were chosen based on their relevance to the research objectives and their widespread use in the field of investment climate assessment.

The methodology of the Bank of Austria (BoA)

The methodology for assessing regional risks in Russia (Regional Risk Rating in Russia), carried out by the Institute for Advanced Studies (IAS) commissioned by the Bank of Austria, involves the assessment of investment risks in 11 different positions, including:

1. Political rating (13 indicators)
2. Economic rating (18 indicators)
3. Financial and banking rating (15 indicators)
4. Privatization rating (12 indicators)

5. State of the labor market (4 indicators)
6. Development of transport and communications (9 indicators)
7. Demographic rating (4 indicators)
8. General social rating (5 indicators)
9. Ethno-political rating (6 indicators)
10. Behavior of the population (4 indicators)
11. Environmental rating (6 indicators) (Nagaev & Wörgötter, 1995).

A region is considered as integral economic and political system, i.e. investment risk is determined based on any changes in it. This methodology involves the use of predominantly expert assessments and data from scientific (literary) sources (Zaykovskiy et al., 2015).

For each specific indicator, its level of significance for the position is determined, which largely defines the evaluation of the position itself. The accuracy of the weight of the indicators characterizing each position is ensured by virtue of the high qualification of experts. The result of this report is a rating where all regions are divided into 6 classes: Class 1 – favorable situation for capital investment; Class 2 – relatively favorable situation; Class 3 – contradictory situation; Class 4 – unfavorable situation; Class 5 – seriously unfavorable situation; Class 6 – situation dangerous for capital investment (Evaluation…, 1997).

In general, the methodology of the Bank of Austria is a fairly balanced specialized approach to assessing regional investment risks. The analysis of 11 positions, including more than 90 indicators, to a greater or lesser degree delving into each of the groups of factors we have identified, allows us to talk about fairly wide information coverage. The similarity of the development models of transitional economies makes this methodology easily adaptable, and the indicators selected for the analysis are widely applicable and relevant for other economic systems of this group of countries.

At the same time, a detailed study of the of the factors under evaluation showed that some of them are closely intertwined, and in certain cases duplicated in different risk groups, which is fraught with misrepresentation of information. The assessment algorithm, as well as the range of assessed indicators, determine the complexity of both the approach itself (it requires special knowledge related to various areas of the functioning of socio-economic systems) and access to the necessary information. Therefore, conducting a qualitative analysis requires the involvement of highly qualified specialists from various fields. A significant proportion of expert assessments suggest that this technique is not free from subjectivity.

Methodology of the company RAEX-Analytics (RAEX)

The methodology for compiling the rating of investment attractiveness of the company RAEX-Analytics (formerly the rating agency Expert RA) is based on the analysis of two relatively independent characteristics: investment potential and investment risk (RAEX…, 2022; Skvortsova & Kondrateva, 2019).

The RAEX-Analytics experts understand the investment potential as a quantitative characteristic that takes into account the saturation of the region's territory with economic resources (natural resources, labor, fixed assets, infrastructure, etc.), consumer demand of the population and other indicators that affect the potential volume of investment in the region (*Methodology*…, 2022). This characteristic consists of 9 partial potentials:

1. Natural resource potential
2. Labor potential
3. Production potential
4. Consumer potential
5. Infrastructure potential
6. Innovation potential
7. Institutional capacity
8. Financial potential
9. Tourism potential

Each of the identified potentials, in turn, is characterized by a group of indicators.

Investment risk in this methodology is a qualitative and quantitative characteristic that reflects the non-commercial risks faced by entrepreneurs in the region, as well as the general state of business. By analogy with the potential, the total risk consists of 6 separate risks:

1. Economic risk
2. Social risk
3. Financial risk
4. Management risk
5. Environmental risk
6. Criminal risk (*Methodology*…, 2022).

The rating is based mainly on statistical data of government agencies and departments of various levels, as well as international rating agencies.

The methodology is based on a comparative analysis, according to the results of which each region is assigned a rating or index of the ratio between the level of investment risk and investment potential (Skvortsova & Kondrateva, 2019). This approach, in its idea, does not imply the possibility of evaluating an isolated country or region, but rather focused on providing their comparative characteristic. Nevertheless, the set of determinants used in the analysis seems to be very useful in the framework of our study.

In terms of information coverage (the number of analyzed indicators), the methodology employed by RAEX-Analytics exhibits a high level of comprehensiveness compared to other examined approaches. Throughout various time periods, experts analyze a considerable number of indicators, often reaching up to 200. Nevertheless, it practically does not pay attention to political risks, which can be very significant during periods of transformation.

The analysis technique is quite complex and requires a wide range of special knowledge. This makes the methodology difficult to implement. The situation is

further complicated by the fact that in the current realities of many countries with transitional economies it is not always possible to gain access to even the minimum amount of necessary information.

It should also be noted that the evaluation combines both statistical analysis of quantitative indicators and expert assessment of the qualitative side of the development of various processes, which increases the balance and, accordingly, the quality of the results.

One of the notable advantages of this methodology lies in its specialization. Similar to the approach devised by the Bank of Austria, RAEX-Analytics experts have diligently chosen indicators that hold relevance for numerous transitive economic systems. This deliberate selection ensures the applicability and transferability of the methodology across different regions and countries undergoing transitional phases.

Methodology of RSPP and KPMG

In 2010, a research study on the regional investment climate was conducted by the Russian Union of Industrialists and Entrepreneurs in collaboration with KPMG. The research aimed to assess the perspective of foreign investors and their considerations when deciding to invest capital. The approach developed for this study involves categorizing all factors considered by foreign investors into two major groups, forming a framework for evaluating the investment climate:

– "hard" – those that are part of the existing environment and cannot be changed in the short and medium term (e.g. geographic location, natural resources, etc.). This group includes seven indicators. The ability to influence them is very limited,

– "soft" – including the creation and management of representations, the effectiveness of processes, the internal capabilities of representatives of relevant state organizations, legislation, etc. This group includes six indicators (HSE, 2010).

Each indicator is evaluated from two positions: the possibility of change and the speed of influence. The advantages of this technique include its specialization in the transitional economy of with all the benefits that follow from this described earlier. The approach combines both the assessment of physical and statistical indicators, and expert assessments.

However, upon examining the research findings (HSE, 2010; Evaluation…, 2013), it becomes apparent that the assessed criteria exhibit ambiguity regarding the specific indicators employed. The exact nature of the evaluation process and the formation of the final result often remain unclear. Moreover, the analysis relies on highly specific information, such as the level of administration's interest in foreign direct investment, the management of investor expectations, etc. Acquiring such data incurs additional costs and may prove challenging in terms of accessibility. Consequently, the complexity associated with comprehending and implementing the methodology is heightened.

Despite the fact that the study endeavors to address each of the seven identified groups of factors to some extent, the overall number of evaluated determinants is

relatively limited. The set of analyzed indicators comprises only 13 primary components, which fails to encompass a significant range of aspects that may be of interest to potential investors.

The National Rating Agency (NRA) Methodology

In accordance with the approach proposed by the National Rating Agency (NRA), the assessment of regional investment attractiveness is conducted by considering a comprehensive set of factors that influence the expediency, effectiveness, and level of investment risks within each region. These factors constitute an integral backdrop for all investment projects and exert an influence on both their risk and profitability. The NRA considers 7 key indicators of regional investment attractiveness:

1. Geographical location and natural resources
2. Labor resources of the region
3. Regional infrastructure
4. Internal market of the region (regional demand potential)
5. Production potential of the regional economy
6. Institutional environment and socio-political stability
7. Sustainability of the regional budget and enterprises of the region (Invest in regions, 2023).

These factors are carefully examined to provide a comprehensive understanding of the investment climate and opportunities in a given region. To assess these 7 determinants of investment attractiveness, a set of 56 indicators is used. The Agency experts divide them into 3 main groups:

1. *Statistical indicators* are conventionally employed to evaluate the majority of factors pertaining to the investment attractiveness. Data for them are taken from official publications of statistical agencies and federal authorities.

2. *Surveys of the business community* that allow evaluating indicators that are not quantifiable. The NRA methodology utilizes data obtained from surveys carried out by Rosstat within the framework of the study of investment activity of organizations, along with inputs the Strategic Initiatives Agency and prominent business associations.

3. *Expert assessments* are employed to investigate the factors affecting the investment attractiveness of the region, for which statistical data is either not maintained or not publicly available. Within the framework of the NRA methodology, expert opinions are utilized to assess the region's resource potential, the quality of its institutional environment, and the level of social and political stability (Invest in regions, 2023).

The level of regional investment attractiveness is determined using a dedicated scale that is divided into three broad categories – high, medium and moderate level of investment attractiveness. Each group, in turn, consists of three subgroups from IC1 to IC9.

Our research findings show that the indicators evaluated during the analysis of investment attractiveness encompass all seven selected groups to different extents, thereby demonstrating an above-average level of information coverage. However, despite this, a number of significant factors relevant to potential investors, such as the inflation rate, property rights protection, the level of corruption, and others, remain overlooked to a considerable extent.

By incorporating a combination of statistical factors, expert assessments, and specialized surveys, the methodology employed ensures a balanced approach. This multifaceted technique, however, presents challenges in terms of reproducibility due to the limited accessibility of comprehensive information and the requirement for specialized knowledge across various domains to obtain a high-quality and reliable outcome.

The Agency for Strategic Initiatives (ASI) Methodology

The methodology developed by ASI evaluates the efforts of regional authorities to create favorable business conditions and identifies best practices. The rating is calculated on the basis of 67 indicators (the number of indicators is dynamic) in four directions:

1. Regulatory environment – performance indicators of the provision of various public services for business (e.g. registration of legal entities, issuance of construction permits, issuance of licenses, etc.). The time of passage, the number of procedures and the satisfaction of entrepreneurs with standard administrative procedures are assessed.

2. Institutions for business – availability and quality of tools to protect and improve the investment environment. Indicators of work and dynamics of the development of institutions and mechanisms for business (e.g. the availability and quality of legislation protecting the rights of investors, mechanisms to support investment activities, assessment of the level of corruption, etc.).

3. Infrastructure and resources – indicators of the level of infrastructure development, as well as the availability of resources for business and investment activities (assessment of state support measures and availability of financing, availability of physical infrastructure and resources: development of roads, availability of investment infrastructure facilities, availability and qualification of labor resources).

4. Small business support – the level of small business development and the effectiveness of various types of small business support (Asi, 2023).

In parallel with the ranking, ASI also collects data on additional indicators in order to analyze their applicability for inclusion in the methodology in the future.

Obtaining information on indicators is carried out by conducting surveys of entrepreneurs and experts, as well as using statistical data. It should be noted that the approach to forming a sample of respondents is very complex and requires a significant amount of preparatory work.

After the initial data collection is completed, the rating result is calculated and presented at four levels: the level of indicators is the summarized and processed raw data, given on a similar scale from 0 to 100, where 0 is the worst possible measurement, 100 is the best; the level of factors is the weighted average of the scores for the indicators included in the factors; the level of directions is the weighted average values of the factors included in the direction; the level of the integral index is the sum of points in all four directions of the rating. The maximum value of the index cannot exceed 400 points (Asi, 2023, 2018; Trachenko & Dzhioev, 2019).

The analysis shows that the ASI methodology combines both surveys of experts and entrepreneurs and statistical assessments. The collection of additional data indicates the dynamic nature of the rating and its ability to adapt to changing market needs. At the same time, we note a very complex algorithm for conducting analysis with a high proportion of indicators evaluated by experts.

In our opinion, this methodology is characterized by a below-average level of information coverage. The set of 67 indicators is more or less focused on five of the seven selected groups of determinants. The main attention is paid to the legal, financial and economic components. However, even within these groups, possible risks and opportunities are not fully disclosed. It is worth emphasizing the incorporation of highly specialized data in the analysis, which necessitates specific expertise for its collection and examination. Moreover, the acquisition of this specialized information often relies on extensive field research conducted by experts from the ASI and their collaborators. All this can potentially limit the availability of data, as it requires substantial time, resources, and coordination.

A thorough study of the assessment algorithms, as well as the sets of determinants being analyzed within each methodology, has allowed us to make informed assumptions about the quantitative representation of each of the four key criteria: information coverage, availability of information, variety of approaches used, and ease of use.

The evaluation of comparative characteristics of the studied methodologies of assessing the investment climate in accordance with the previously defined analysis criteria are presented in Table 1.

Table 1. Comparative characteristics of country (region) investment climate assessment methodologies

Methodology	Information coverage	Availability of information	Variety of the approaches in use	Ease of use
BoA	4	2	3	1
RAEX	4	2	3	1
RSPP and KPMG	2	2	2	1
NRA	3	1	4	1
ASI	2	1	3	1

Source: Authors' own study.

The data presented in the Table 1 allows us to calculate the indicators necessary to compile the AM (Table 2).

Table 2. Initial data for the compilation of AM

Methodology	Informational component	Operational component
BoA	3	2
RAEX	3	2
RSPP and KPMG	2	1.5
NRA	2	2.5
ASI	1.5	2

Source: Authors' own study.

The matrix of the applicability of methodologies for assessing the investment climate is presented in the Figure 1.

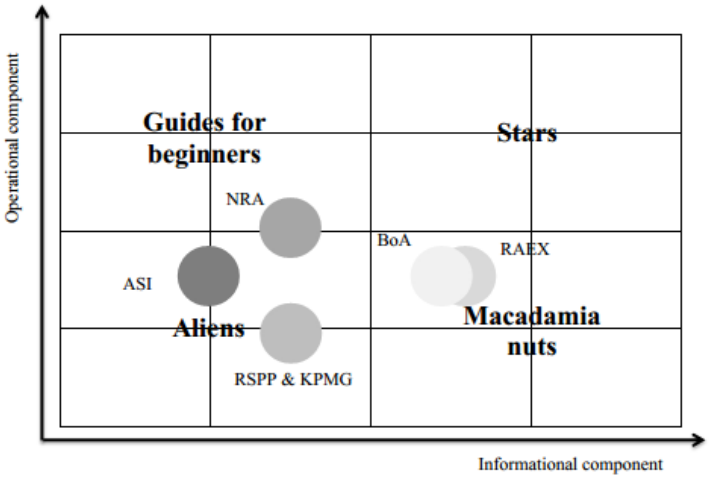

Figure 1. Applicability Matrix of most common methodologies for assessing country investment climate

Source: Authors' own study.

Conclusions

After a thorough examination of the primary attributes of the chosen methodologies employed for appraising the investment climate, we can conclude that all approaches, without exception, use expert assessments in various combinations with statistical comparisons and conducting specialized surveys. This makes them fairly balanced regarding to the methods of analysis in use. Such a multi-faceted approach enables a comprehensive assessment that takes into account both qualitative and quantitative factors, enhancing the accuracy and reliability of the analysis.

The methodologies investigated in this study are founded on intricate techniques for constructing ratings, which entail multi-level assessments and corresponding mechanisms for aggregating the obtained results. Consequently, in relation to the aspect of "ease of use", all of the examined approaches received a rating of 1 out of 4 possible points.

It is worth highlighting the level of information coverage as a separate aspect. Out of the five methodologies examined, three demonstrate an above-average information coverage, with two of them (RAEX, BoA) achieving the maximum value for this indicator. At the same time, such high results are associated with additional difficulties in finding and accessing the data necessary for analysis. This is due to the fact that field-specific information is required to obtain a high-quality and reliable assessment, which, as a rule, is not available in public sources. For instance, in the case of the approaches of the National Rating Agency and the Agency for Strategic Initiatives, experts receive part of the necessary data through specialized field surveys. These nuances affected the assessment of the availability of information and, as a consequence, the information component in the calculation of indicators for the AM.

Regarding the applicability of the examined methodologies, the findings indicate that none of them met the criteria for being considered as the optimal approach or achieving the highest rating ("Stars") on the AM.

As evident from the analysis, two methodologies created by the Agency for Strategic Initiatives and RSPP & KPMG belong to the "Aliens" category. This category is characterized by a low level of information coverage, accompanied by the complexity of evaluation. It implies the necessity of extensive specialized knowledge, involvement of external experts, and potential challenges in gathering the required information for analysis. These factors indicate a low level of applicability.

The approach applied by the National Rating Agency, in consequence of the wide range of methods used in the analysis, is located on the border of the "Aliens" and "Guides for beginners" groups. Having the characteristics of the "Aliens" group, this methodology, due to a wide range of methods employed in the analysis, is slightly more effective than the previous two. It could approach the "Stars" group if the collection of substantial amounts of necessary information did not rely on surveying the business community. The overall level of its applicability can also be characterized as low.

The methodologies developed by the Bank of Austria and the company RAEX-Analytics are in the third group of quadrants, i.e. "Macadamia nuts". This group is characterized by a high level of information coverage, combined with a complex assessment mechanism. As in the "Aliens" group, this assumes the need for a wide range of specialized knowledge, the involvement of external experts, as well as the possibility of difficulties in collecting the information necessary for analysis. On average, these two approaches can be characterized by a higher but still insufficient level of applicability.

Overall, it can be concluded that the majority of the examined methodologies, despite having a relatively high level of information coverage, are not entirely suitable for independent application due to the complexity of the assessment algorithms.

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