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DEVELOPMENT OF SCIENTIFIC THOUGHT ABOUT INVESTMENTS

Summary

In order to establish the legal nature of investments for further improvement of legislation, the article analyzes the development of investment doctrines. The methodological basis of the research is, in addition to General scientific methods, linguistic and historical methods.

As a result of the research, the author concludes that the first scientist to understand and describe investments (advances) in detail is the French economist Jacques Turgot. The main initial signs of investment include the presence of primary accumulated capital, risk, profit as a goal, which should be greater than the Bank interest, the ability to invest in any promising industry (agriculture, trade, industry), important for the economy of the state.

Key words: investments, legal nature, investments, capital, advances, investment history

Increasing investment in the Russian economy is one of the most important issues for our country.

To solve this problem, it is necessary, among other things, to make urgent changes to the legal framework. Currently, there are regulations on investment issues that were adopted in 1998. There is a change. It is necessary to develop a single legal definition of the concept of investment, since different laws contain non-identical definitions of this concept [1, 109-112]. There is no single approach to the concept of investment in either economic or legal science [2, 66-75].

There is no doubt that the concept of investment is a legal and economic term, and each term should have only one meaning, since the inaccuracy of terminology in the scientific literature prevents understanding between scientists, reducing to zero all its scientific value [3, 28].

To establish the meaning of the term investment, it is necessary to establish their legal nature, which implies the establishment of the original features of this legal phenomenon [4, 17]. The concept of investment has a dual, economic and legal structure and to study the primary features in the most detailed and consistent way possible by analyzing the formation of scientific views on the essence and content of this phenomenon in history.

There is a point of view that the history of science is interesting only to a narrow circle of scientists who specialize in the historical aspects of certain teachings. And at first glance, it really seems that a modern scientist should turn to outdated views of the past, clinging to an old-fashioned way of thinking, instead of developing modern science with the latest methods.

However, sometimes it is very useful to look back in order to move forward more confidently.

In order to determine the reasons for the emergence of such an economic phenomenon as investment, it is necessary to understand when and where it appeared, what reasons contributed to it, what economic situation favored it, and what other factors contributed to the birth of a new economic and then legal institution. It is very important to understand what political, economic or social reasons contributed to the emergence of a new social phenomenon.

Classical Economics of the XIII century was the result of two types of knowledge: philosophical teachings and practical experience gained in solving political and economic issues. philosopher. However, almost before the physiocrats, scientists used such simple and artless methods that they were understandable to ordinary people.

We have not received any arguments on the economic issues of the Ancient world that we could call scientific. And only the ancient Greeks left us the rudiments of economic science. However, unlike results in mathematics, astronomy, and optics, Economics has never been able

to achieve its own status and name. The Greek economy is only the practical running of the household.

Economic reasoning in Ancient Greece went hand in hand with their General philosophy of state and society. Perhaps this can explain their small achievements in this direction, in contrast to other areas of science.

The beginnings of scientific knowledge of Greek Economics can be found in the works of Plato (427-347 BC) and Aristotle (384-322 BC).

Despite the fact that Economics in Ancient Greece was abstract, it was always associated with human problems. The only way for the Greeks to exist without barbarity was through city-States, and the ancient Greeks tried to solve all the problems that arose through the prism of such a policy.

Plato's ideal state was a Polis in which the number of inhabitants seemed constant and relatively small. Wealth should also be permanent, and any activity should be strictly regulated. The entire population was divided into castes-warriors, farmers, artisans. Such a city-state was to be governed by a caste of guardians who were to live together and have no marital ties or private property.

Plato's caste system is based on the idea of the necessity of division of labor. At the same time, Plato saw the reasons for the growth of productivity in his state not because of the division of labor, but because of the ability of each person to specialize in what he is more adapted to from birth [5, 48-54].

In this work, Plato considered five types of state, the best of which he considered the aristocracy. Due to natural causes, the aristocracy, according to Plato, is replaced by timocracy, in which power belongs to the ambitious, usually belonging to the military class. As they accumulate wealth, the timocracy turns into an oligarchy, and one of the reasons for this transformation Plato saw in commercial activity. Further, as a reaction to the oligarchy, democracy arises, and as a result, as an alternative to the latter, tyranny appears, the worst form of state power, according to Plato [5, 242-273].

Probably because both commercial activity and the accumulation of wealth Plato considered an evil that contributes to the transition to the worst form of the state, in his writings he did not consider investment or any other similar concepts.

Considering the works of another great representative of ancient Greek philosophy, a student of Plato and teacher of Alexander the great, Aristotle, it should be noted that his interests lay mainly in the field of political, or even economic sociology. His work as a Politician should be considered, first of all, as an essay on the state and society. In the second book of Politics, Aristotle critically examines the teachings of his teacher that reject private property [6, 31-33]. However, it is in Politics that the first beginnings of economic science and the nascent knowledge of business can be found. Thus, in the section on the art of making a fortune in the first book, Aristotle distinguishes in sufficient detail the making of a fortune for personal use, to meet the primary necessary and sufficient needs, and the making of a fortune by people engaged in monetary turnover, who, in his opinion, seek to increase the amount of money to infinity [6, 11-24]. And it is this art of making a fortune solely for the sake of increasing wealth that, in our opinion, is one of the first philosophical attempts to understand the essence of the phenomenon that is now called entrepreneurial activity. And does not a successful investment look like a successful investment by another ancient Greek philosopher and mathematician Thales of Miletus, which is described by Aristotle in the same place in Politics.

Thales was extremely poor, which gave people reason to reproach him for the uselessness of the philosophy and science that he was engaged in. Then, having made a conclusion on the basis of astronomical knowledge about a large harvest of olives in the following year, he rented all the creameries in the vicinity for almost nothing in the winter, and when a large crop was ripe, he began to rent them out for a lot of money. Thales thus showed that philosophers can get rich very easily, but they don't need to. Aristotle emphasizes: Thales predicted the harvest «by observing the stars», that is, thanks to knowledge [6, 20].

In the early stages of economic science, many phenomena, including investment, remained outside the scope of scientific interests, and only later, after a while, small parts of these phenomena stimulated scientific curiosity and turned into problems worthy of study.

The ancient Romans made an even smaller contribution to economic science than the thinkers of ancient Greece. There was no place for pure science in the social structure of the Roman state. Unlike the Athenian aristocracy, the Roman aristocracy never retired, but devoted its entire life to public Affairs, military or political. As can be seen from the writings of Cicero, the Roman aristocrats had neither the time nor the energy to engage in scientific activities in any field [7]. The exception, of course, is the right. There are at least two reasons why Roman law became the most famous scientific field left by the Romans to their descendants.

First, this is due to the need to manage huge conquered territories, maintaining the necessary order on them.

Second, because most of the powerful Romans who have a certain amount of free time have become so interested in legal matters that this activity has become a hobby for them. Great interest in legal issues was associated with the following. Civil relations between the free population of the Roman Empire were regulated by the old civil law (*jus civile*). However, with the increase in conquests, there was an urgent need to regulate a large number of commercial relationships between non-citizens of Rome, as well as between citizens and non-citizens. Rules called *jus gentium* were applied to such relationships. In addition, since the second half of the second century ad, due to the development of the economy, the increase in the hands of the ruling class of commercial capital and land ownership, and the insufficiency, therefore, of the old rules of *jus civile*, a new system of law - magistrate law (*jus honorarium*). It consisted of rules introduced into action and declared in edicts by praetors and aediles. Given that judges, like most practicing lawyers, were not professionals, there was a need for qualified lawyers, a place that was taken by influential Romans who were interested in law. They had great authority, and their skill is admired to this day [8]. They defined such concepts as buying and selling, price, and money, but they did not go further into Economics.

In the early Christian Scriptures, there is not even any hint of economic or legal science. This is probably explained by the fact that the Christian Church has always set itself the task of reforming the behavior of an individual, his morals, and never any economic transformations. This is probably why neither John Chrysostom (347-407) [9] nor St. Augustine (354-403) [10] nor other well-known jurists of the time, did not delve into the consideration of economic and legal issues.

The Eastern Roman Empire lasted 1,000 years longer than the Western one. This was due in part to the existence of one of the most successful bureaucracies in history. Statesmen and scientists of that time had to solve a huge number of political, economic and legal problems. But, unfortunately, no scientific works on Economics or law have reached us.

And only after about 500 years in the works of the scholastics, and especially of Thomas Aquinas (1225 or 1226-1274), we can again find attempts to systematize and develop economic and legal knowledge [11]. The military class at that time had unlimited power and great prestige. The economic system of this society was based on farmers and manorial artisans. As for the science of that time, the Catholic Church had a complete monopoly in this field until the Renaissance, and the most educated members of society were either monks or friars.

Meanwhile, in Europe, slowly but steadily began the processes that broke the social world of Thomas Aquinas. We call these processes the birth of capitalism. Starting in the thirteenth century, industrial enterprises began to move towards the structure of feudal society. Representatives of the bourgeoisie were inside the business life of society, faced and solved many problems related to business activities, and as their social status in society increased, they increasingly influenced it, replacing the influence of chivalry. In view of this, over time, all classes of society and all spheres of public life began to penetrate the special thinking that arises in the conduct of business, new moral values and attitudes to life and society. As a result, this led first to the emergence of secular intellectuals, and then to the emergence of secular science.

Entrepreneurs and students regularly faced a lot of problems, solving them, gradually increasing their economic knowledge.

Secular science of the age of Enlightenment rose in the field of scholastic science of the middle ages. Therefore, the new scientists developed rather than destroyed the works of scholastic scientists.

However, in the works of Thomas Aquinas, we will find very small notes on Economics, which is primarily due to the thinker's lack of interest in this issue in relation to questions of philosophy or theology. And even when he addresses economic issues, it is primarily caused by moral issues.

Thomas Aquinas believed that there is something base in trade itself [11]. However, after the thirteenth century, the attitude of the scholastics to trade changed. Later scholars considered economic activity is not so critical. In the works of Francois de Lugo (1583-1660), the concept of «prudent economic reason», from which the concept of «economic man» later arose, differs significantly from the same concept of Thomas Aquinas. By calculation, he meant the desire to profit from trading operations in all legal ways. The pursuit of profit was not justified, but economic activity gained momentum, anticipating the appearance of capitalism [12, 122-124].

A significant contribution to the theory of entrepreneurial profit was made by representatives of the Salamanca school, one of the branches of late-time scholasticism, which was formed in the XVI century in Spain on the basis of the University of Salamanca. These included the aforementioned de Lugo, as well as the famous Spanish economist and theologian Luis de Molina (1535-1600). The latter wrote in his works that the main reason for charging interest above zero is a fairly wide spread of the concept of business profit already at that time. It is understood that the possession of monetary capital is a prerequisite for the start of any business enterprise [13, 26-28].

Since the end of the XV-beginning of the XVI century, most of the developed countries of Europe were on the threshold of their industrial development. This situation has developed due to the simultaneous confluence of several circumstances.

First, in most European countries, feudalism was already a military-aristocratic society on a capitalist basis. This society was fed at the expense of capitalism, which was beginning to gain strength, and appropriated a significant part of the nascent bourgeois wealth.

The second important event that influenced the further development of Europe was the conquest of South America and, as a result, the direction of relatively cheap precious metals to Europe.

The third important event was the collapse of the Holy Roman Empire and the subsequent economic and political processes in Europe.

Capitalism did not arise from scratch. It emerged from structures with a shop organization of labor, which had their own characteristics and established practices.

Since the end of the XVI century, many scientific studies on Economics have appeared in Europe. Among those who wrote on this topic can be called names such as Jean Bodin, Giovanni Botero, Jerónimo Ustariz, of Maximilian de Bethune, and many others. Among these names are the works of one of the main representatives of cameralism, Johann Heinrich Gottlieb von Justi (1717-1771). The works of this German economist were devoted to the internal management of the state, the goals of which are the happiness of all its citizens. As, in the opinion of the justice of entrepreneurial activity, based on competition divides people, the state must perform the functions, including joining them. He was aware of the need for free enterprise, and he was wary of the new emerging class, but no longer hostile. Justi understood that the development of German industry required the introduction of labor-saving machines (now we call this investment in fixed assets), which would lead to unemployment. But the state, in his opinion, will be obliged to solve this problem [12, 217-221].

It should be noted that the works of Justi translated into Russian exceeded the translations into other languages and were an important phenomenon for the Russian high society in the course of administrative reforms [14, 73]

It should be noted that since the XVII century, there has been a breakthrough in economic thought, new theories and concepts are being developed.

So Richard Catillon (1680-1734) in Chapter 13 «Essay on the nature of trade in General terms» introduces the concept of entrepreneurs into economic circulation [15, 31]. The entire population of the country is divided into three parts: owners, entrepreneurs and employees. Entrepreneurs, in turn, are divided into entrepreneurs who use capital to conduct their activities (farmers, merchants, artisans), who must first spend some money at the beginning of their enterprise, and entrepreneurs who use only their personal skills in their activities (artists, doctors, lawyers, etc.). Curiously, even beggars and robbers are considered entrepreneurs by Catillon [15, 73-77]. This is due to the fact that the main criterion for being classified as a group of entrepreneurs is the presence of uncertainty in obtaining benefits from their enterprise and a constant reliable income due to a variety of reasons, the main of which they see in competition and changing consumer tastes. Catillon still divides entrepreneurs from the point of view of a legitimate activity. But he was the first to describe entrepreneurs as a separate class of society, and the first to highlight the presence of risk as an essential condition for attributing any-activity to business. In addition, the author pointed out the need for initial capital to engage in business activities.

It is impossible not to say a few words about the most prominent representative of the school of physiocrats, the French economist Francois Quesnay (1694-1774). In his Economic tables, he created the Foundation of capital theory for subsequent generations of economists. Based on the activities of farms, Quesnay noted that small farms cannot start operations if they are not provided with everything necessary [16, 279-287]. Based on this, he was one of the first to define the capital needed to start economic activity as wealth accumulated before production began. In addition, Kene divides the capital investments necessary for farming (advances) into primary (long-term), initial (necessary directly for the start of activity) and current [17, 350-366]. He was the first to mark the starting point in the theory of capital as pre-accumulated wealth, leaving his followers the opportunity to explore it in more detail and in depth.

Exploring the emergence of the concept of investment, we cannot fail to note the work of Anne Robert Jacques Turgot (1727-1781) «Reflections on the creation and distribution of wealth». Developing the ideas of Quesnay, he also speaks of the need for a «Fund of movable wealth» created before the start of business. But unlike Quesnay, Turgot considers the issue of advances (investments) in sufficient detail. He not only dwells in detail on the need for initial investments in the implementation of agricultural activities, but also indicates the need to have initial capital and at the beginning of business and in production (industry), and in trade [18, 609-610]. One of the first he showed that the introduction of money (gold and silver) into trade had a significant positive impact on the development of large factories and trading enterprises, since it was quite problematic to accumulate significant capital in some other form of «movable wealth» and successfully use it to start a new or expand an old enterprise.

In paragraph 82, Turgot identifies five uses of pre-accumulated capital:

- purchase of real estate (land Fund);
- investment in land-processing enterprises;
- investment in industrial enterprises and factories;
- placement of capital in commercial enterprises;
- transfer of capital in return for interest [18, 624].

As we can see, the second, third and fourth ways of using capital are nothing but investments, and the second and third, in addition, are investments in fixed assets.

In paragraphs 84-86, Turgot very convincingly proves that money invested as an investment should bring more income than borrowed, and much more than money invested in real estate, since in addition to the interest that he will have to pay the capitalist, the entrepreneur must receive an annual profit for his work, merits, talents and risk, as well as compensate for the unavoidable unforeseen losses in the conduct of business [18, 624-625].

Continuing the terminology of Quesnay, Turgot also calls investments advances (the term investment will appear much later). But in our opinion, it was Turgot in his *Reflections* who was the first to fully disclose and describe such a concept as investment, and also pointed out their dominant role in the development of any state. Thus, in paragraph 68, the author writes that the cultivation of land, factories of all kinds, and all branches of Commerce are based on a mass of capital, or accumulated movable wealth, which, being advanced in advance by the entrepreneurs in each of these different kinds of labor, must annually return to them with a constant profit. It is necessary to know what capital should be re-invested and re-advanced for the continuation of the same enterprise, and what profit will be obtained for the more or less prosperous existence of entrepreneurs. These constant expenditures and their constant return constitute what should be called the circulation of money, the useful and fruitful circulation of it, which animates all kinds of labor in society, supports movement and life in the political body, and which is compared with great reason with the circulation of blood in the animal body [18, 615].

In legal science, the dominant point of view is that the origins of the modern understanding of investment is Adam Smith [19, 26] with his work «Research on the nature and causes of the wealth of Nations» [20].

However, at the time of Smith's publication (March 9, 1776), the main questions concerning investment had already been worked out in the works of the physiocrats, and especially in detail in the work of Turgot (1766).

Without detracting from Smith's achievements in economic theory, the author, after analyzing both of these works, believes that Turgot's work «Reflections on the creation and distribution of wealth» is the first work on Economics, in which the properties, goals and significance for the economy of such categories as capital, investment, and advances are described in great detail and convincingly. All of these concepts and form at the present time what we call investment.

Conclusion

Investing as the process of investing any funds today to make a profit in the future was known to the ancient Greeks. An example of this is Aristotle's account of Thales of Miletus.

But the scientific understanding of this concept began with the industrial development of Europe in the XVI century. The first scientists, Quesnay, Turgot, Smith, called investments advances.

Catillon was the first to introduce the concept of entrepreneur into economic circulation.

Quesnay and Turgot were the first to understand and describe the need for and basic knowledge about advances (investments), among which are:

1. Investments are made by entrepreneurs in the course of business activity.
2. One of the mandatory conditions for business activity in General and investment in particular is the presence of risk, as well as profit as a goal.
3. The Capital invested in the investment process must first be accumulated, and a «movable wealth Fund» must be created.
4. The Appearance of money as a payment has significantly simplified the investment process, since it is quite problematic to accumulate capital in any other form, and even more so to use it successfully when investing.
5. You can Invest in agriculture, industry, and trade.
6. The Profit received when investing is always assumed to be greater than the Bank's interest.
7. Investment plays a very important role in the development of the economy of any state.

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