



ECONOMIC METHODS OF REGULATING THE INVESTMENT PROCESS BY STATE

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Received:	30 th March 2021	This article analyzes the theoretical basis of investment and capital flows. The opinions of economist scientists were analyzed and concluded. In addition, the article analyzes the share of investments in long-term investments in shares, bonds and other securities issued by public and private companies, as well as in objects of acceleration, bank bonds. Unlike financial investments, Real investments are reflected as investments in the growth of fixed capital and material production reserves. The need to create this free environment in the economy, as well as the methods of state regulation of investment by subjecting it to market rules are analyzed.
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INTRODUCTION

Investment policy and its effective management in the national economy is one of the important foundations of the country's economic development. It has an active impact on reproduction, the growth rate and scale of scientific and technological progress, creates conditions for employment of a significant part of the population. Structural changes in the economy, the rational allocation and development of productive forces in the country will largely depend on the level of effective implementation of investment policy. It is also important that a significant part of capital investments directed to the creation of new production facilities and fixed capital, as well as the use of existing ones, pass through the investment sector.

As a result of the investment policy pursued in Uzbekistan, the volume of foreign direct investment in fixed assets in 2020 amounted to 101.5% or \$ 6.6 billion compared to the same period in 2019. As part of the investment program, 197 projects were implemented and 38,000 jobs were created. In addition, 10,586 projects worth 59.1 trillion soums were implemented under regional investment programs, which created 131.5 thousand new jobs. The meeting also discussed the indicators of foreign trade activity, including the fact that in 2020 the volume of exports amounted to 15.1 billion dollars. At the same time, the export of 47 types of new products has been established and access to new promising markets of a number of countries has been achieved. [1] Investment policy is one of the most important directions in the socio-economic development of any country. Because through this policy it is possible to ensure a high level of production capacity of the country, increase the volume and quality of products, meet the material and spiritual needs, the development of the entire state infrastructure. Modern investment policy is the main driver of economic restructuring, which should focus on modernization of agriculture, development of natural resources and territories, employment, development of science and technology, solving environmental problems.

MATERIALS AND METHODS

The investment sector currently operates on a national and global scale in a market economy. In this regard, it is expedient to consider the economic content of investments. It should be noted that the versatility of this process is reflected in the definitions given to it. In particular, Sh. Shodmonov, R. Alimov and T. Jorayev state that "Investments are investments in the form of money to increase fixed and working capital, to expand production capacity. It is made in the form of cash, bank loans, shares and other securities. In the form of cash investment is a nominal investment, the investment resources that can be purchased with this money are called real investments". According to B. Tursunov, "Investments are the sum of expenditures in the form of long-term investments in industry, agriculture, transport, construction and other sectors of the economy" and the areas in which investment funds are invested are highlighted from a network perspective.

D. Tadjibayeva describes investments as follows: "Investment means financial resources for future results: expansion or reconstruction of production, improving the quality of products and services, training of qualified

specialists and research.” It is obvious that the author in this definition emphasizes the areas of investment activity. [5]

It is also mentioned in some sources that “Investment is a long - term investment of capital by the private sector and by the state within the country and beyond its borders in various sectors of the economy and securities”[5], unlike the previous definitions, portfolio (i.e., invested in securities) investments are also highlighted.

In a market economy, the goal of investment activity is to earn business income or interest. Investments are divided into financial and real investments, depending on the sector or object in which they are placed and the participation of capital in production. [6]

Financial investments represent shares, bonds and other securities issued by public and private companies, as well as long-term investments in accelerated facilities, bank deposits. Some sources also describe financial investment as an international financial and credit activity involving securities-related transactions.

In our opinion, it is wrong to consider this process only as an activity at the international level. Unlike financial investments, real investments reflect investment in fixed capital and material production reserves.

RESULTS AND DISCUSSION

In developed countries, the majority of real investment is private investment. In the public sector of the economy, capital is invested through real investment, as well as through the policy of economic regulation through the provision of loans, subsidies. Public investment will be directed primarily to infrastructure. The efficiency of investments usually increases with the growth of the share of active elements. In the broadest sense, all types of property and intellectual property invested in business entities and other forms of activity are considered to be investments, as a result of which profits or social benefits are obtained.

In such an interpretation of the word “investment”, the following can be included in the list of effective values:

- cash, targeted bank deposits, shares, stocks and other securities;
- movable and immovable property (buildings, structures, equipment and other tangible assets);
- property rights, know-how and other intellectual property arising from copyright;
- the right to use land and other natural resources, as well as property rights, etc.
- the sum of all practical actions of the state, legal entities and citizens on investment is investment activity.

The decision to invest private, borrowed and attracted property and intellectual property in one or another object of investment is made by the subjects of investment activity (investors). The subject of investment activity can be an investor or several investors - participants in business or other activities [2].

It is also divided into domestic and foreign (foreign) investments, depending on whether the investment is made in the country or abroad. If domestic investment involves investments within a country, all types of property and rights to property, as well as rights to intellectual property, which investors invest in business and other activities in order to make a profit (income), are foreign investments.

Investment is not only financial resources, but also new equipment, modern foreign technology, new methods of management in a market economy. When attracting investments, it is necessary to take into account the need to create a favorable investment climate for foreign investors to operate freely in the country. This responsibility must first be borne by the state. Taking into account the economic development of Uzbekistan, it is necessary to implement an effective investment policy in the country and to develop a system of effective acceptance of foreign capital.

Table 1.

Dynamics of investments in fixed assets in the Republic of Uzbekistan and their regional distribution (bln soums)

Regions	2010	Percentage of regions, %	2015	Percentage of regions, %	2020	Percentage of regions, %	Changes in 2000 compared to 2020 (points)	Changes in the share of regions (+/-)
Total	16463,7	100,0	44810,4	100,0	202000,1	100	12,3	x
Republic of Karakalpakstan	496,4	3,0	6021,2	13,4	8167,4	4,0	16,5	1,0
<i>Regions:</i>								
Andijan	726,2	4,4	1956,5	4,4	8755,1	4,3	12,1	-0,1
Bukhara	2147,2	13,0	4075,9	9,1	11248,7	5,6	5,2	-7,5
Jizzakh	440,8	2,7	1304,9	2,9	12974,2	6,4	29,4	3,7
Kashkadarya	1792,8	10,9	5894,7	13,2	19921,7	9,9	11,1	-1,0
Navoi	1741,8	10,6	1809,1	4,0	16042,6	7,9	9,2	-2,6

Namangan	660,6	4,0	2227,5	5,0	11982,5	5,9	18,1	1,9
Samarkand	1083,1	6,6	3237,2	7,2	13426,0	6,6	12,4	0,1
Surkhandarya	655,3	4,0	1843,6	4,1	9923,0	4,9	15,1	0,9
Syrdarya	406,2	2,5	1083,3	2,4	7174,5	3,6	17,7	1,1
Tashkent	1606,1	9,8	4428,1	9,9	18994,4	9,4	11,8	-0,4
Fergana	930,9	5,7	2542,3	5,7	11320,0	5,6	12,2	-0,1
Khorezm	416,9	2,5	1531,5	3,4	6663,2	3,3	16,0	0,8
Tashkent city	3309,0	20,1	6854,6	15,3	44778,8	22,2	13,5	2,1

At the heart of the ongoing economic reforms in the Republic of Uzbekistan is a mechanism to increase the attractiveness of domestic and foreign investment, create organizational, economic and legal conditions. In particular, despite the pandemic conditions, 202000.1 billion soums were invested in fixed assets in 2020, which is 16.5 points more than in 2010. In 2020, the share of regions of the Republic in investment will vary. In particular, the Autonomous Republic of Karakalpakstan in 2020 amounted to 4.3% of the total, an increase of 16.5 points compared to 2010. The share of Jizzakh region was 6.4 percent, which is 29.4 percentage points higher than in 2010. The share of Kashkadarya region in total investments amounted to 9.9%, an increase of 11.1 percentage points over the past year. The share of Namangan region was 5.9%, an increase of 18.1%. Although the share of total investments in the Syrdarya region in 2020 is small, in 2010 it will be 17.1%, ranking 2nd in the country in terms of growth. Also, one of the regions with high investment growth is Khorezm region, which in 2020 increased by 16.0% compared to 2010. The share of investments is high in the regions analyzed above [14]. However, the investment climate is the same in all regions of the country. An investment climate is one that brings together all the problems and issues that an investor takes into account. The investor evaluates the pros and cons of investing in a particular country, while attaching great importance to the ideology, policy, economy and culture of the country in which he intends to invest. Foreign capital recipients, especially those in transition to a market economy, need to develop an investment climate model. This model serves as a tool for them to identify comprehensive economic relations based on all aspects. Its main directions for foreign investors to:

- have a clear understanding of the factors affecting foreign investors;
- provide an in-depth assessment of the economic situation in their country;
- provide an in-depth knowledge of the behavior of a foreign investor in all its aspects.

Thus, for developing countries, foreign investment is a factor that provides the following processes:

- accelerating the economic and technical process;
- updating and modernizing the production apparatus;
- achieving advanced methods of organization of production;
- training of personnel meeting the requirements of a market economy;

This once again demonstrates the importance of investment policy in transition countries, which consists of the implementation of effective investment policy and its comprehensive regulation, targeted orientation.

Table 2.
The main economic indicators of investments in fixed assets in the Republic of Uzbekistan

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assimilation of investments per capita, thousand soums	583,2	664,6	821,4	1008,2	1224,0	1431,7	1608,6	2227,8	3769,6	5834,6	5900,9
The assimilation of investments in fixed assets in% as of GDP	22,2	20,1	20,3	21,1	21,3	21,3	21,1	23,9	30,6	38,3	34,8

Investments in fixed assets in the Republic of Uzbekistan in 2020 amounted to 5900.9 soums per capita, which is 100 points more than in 2010. The share of investments in fixed assets in GDP in 2020 amounted to 34.8%,

and in the following ten years increased to 12.6%. Despite the investment rate of 25-35 percent, in 2019 it was 38.3 percent. The essence of the state's investment policy in Uzbekistan is determined by the conditions of economic transformation. [14] In the transit system, economic policy is related to the activities of the state in the distribution and redistribution of gross income. In this way, investment resources are accumulated and used in the hands of the state. The state receives these resources not only from its own enterprises, but also from other sectors.

Banks play a special role in the implementation of state investment policy. The work carried out by commercial banks of the country to finance the real sector of the economy has a significant impact on the development of the country's economy. Credit investments of commercial banks aimed at the development of various sectors of the economy are growing from year to year.

CONCLUSION

Revenues received by the state in the form of taxes and other revenues are distributed through the budget and create investment resources at its disposal. It is not expedient for the state's investment policy to be limited to its own investment. It would be appropriate to expand the scope of this activity and add three elements to it:

- The state directs investments at the expense of its own income and borrowings;
- Creation of favorable investment conditions for national and foreign investors;
- Encourage investment activities in all sectors.

These three aspects of investment policy also apply in Uzbekistan. The investment policy of the state serves the implementation of its structural policy. Uzbekistan needs to move to a modernized economy. This is achieved through the active investment of the state. Of course, this will ensure that the public sector prioritizes investment. But it also creates the necessary conditions for the development of other systems. Public investment serves national reproduction. Because the state-owned enterprises consist of enterprises of basic industries and production infrastructure. Their activities are of national importance and provide reproduction in the social sphere. Creates goods and services that are most important to the entire economy. Consumption of goods and services created in the state sector guarantees reproduction in other sectors. Because they are important resources. The state sector includes machine-building, fuel and energy, water management, transport and communications. It is very important for other systems that they work properly. The nationwide importance of the public sector makes it a leader in investment. This policy is financed through budget investments. Investment financing in Uzbekistan is one of the highest in the world. This indicates that the liberalization of investment processes in Uzbekistan is effective.

At the same time, there is an advantage of the state in the investment process. But the share of the mixed system in investment is also high. There is state involvement in both systems. This indicator shows that the state takes the lead in redistributing revenues and creating and allocating investment resources. While this situation requires structural change, it limits the initiative of the private and public sector in this regard. In the future, investment resources in these two sectors will shift to non-manufacturing sectors and focus on personal consumption. This process can be explained by two factors. First, the population will focus their savings on more housing, seeking to turn their income into highly liquid instruments to protect against inflation. If we take private investments, a very large part of them is spent by citizens on the construction of private housing. This does not serve to increase the production capacity of the private sector. Second, the shortage of private investment in production is hampered by the scarcity of the national technology market, the availability of the necessary technologies in foreign markets, and the lack of foreign exchange resources. These factors also affect the structure of community investment. Here, the activity of housing cooperatives also serves to direct investment in this area.

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