

PRIORITY AREAS FOR THE DEVELOPMENT OF INVESTMENT POTENTIAL OF UZBEKISTAN

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ABSTRACT--*The article considers the main directions of a long-term strategy of investment policy and the development of investment potential based on an action strategy in five priority areas of the country's economic development. Based on the strategic objectives of the country's economic development, the investment potential development strategy has been formulated and proposed. The conceptual foundations of the investment policy strategic objectives for the long term and the main directions of the investment potential development strategy based on the aggregate approach are proposed.*

KEY WORDS-- *investments, investment climate, investment potential, economic growth, investment strategy.*

I. INTRODUCTION

In the context of globalization of the world economy and a lack of financial resources, for the vast majority of the countries of the world, the urgent task is to build up investment potential and efficient use of investments. In the report on world investments of the United Nations, "Reforming the management of international investments" (*World investment report-2015*), foreign researchers recognize investment potential as a kind of expression of the "great internal strength of the country."

There is no doubt that increasing investment potential, its optimal formation and efficient use of investments are one of the most important development factors.

At the international level, special attention is paid to improving the investment policy with the aim of combining and practical implementation of two important tasks - ensuring economic growth and enhancing the investment process, improving the scientific and methodological foundations of effective mechanisms for mobilizing investment opportunities, developing a strategy for developing investment potential.

Scientific research related to investments, investment activities, problems of investment policy, investment potential and strategy is carried out by leading world and domestic research centers and universities. In the course of the research, certain theoretical and methodological results were obtained, but the issues of developing investment potential and the mechanisms of its formation in the conditions of liberalization of the economy of Uzbekistan, an effective strategy for developing and using investment potential, the current state and prospects of this problem are not comprehensively addressed in them.

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Existing foreign studies of investment potential were aimed primarily at solving primarily its financial component, without due attention to the most important aggregates of material-resource, innovative and human potentials.

II. GOAL AND TASKS

The current stage of strengthening the modernization of the economy, increasing competitiveness, improving market mechanisms of management in Uzbekistan determines the objective need for the formation of strategic management with a deeper justification of long-term goals, objectives, ways and methods of achieving them, determining priorities at the macro and micro levels.

The President of the Republic of Uzbekistan Sh. Mirziyoyev noted the need to develop an action strategy for the near and medium term: “This strategy covers five main priority areas - improving state building, the judicial system, liberalizing the economy, accelerating the development of the social sphere and pursuing an active foreign policy.”

The relevance and the need to develop a strategy for economic development, in particular investment policy, can be justified by the following circumstances:

- Objectively increased demand from the state for a long-term development strategy. Favorable conditions have been created for this (macroeconomic stability and economic growth) for the transition from the operational management of the economy (investment) to the methods of target-oriented regulation and forecasting;

- A long-term strategy, in the context of modernization of the economy and structural transformations, is becoming an important tool to increase the efficiency and competitiveness of the country. The strategy is needed not only to determine the prospects, but also to deeply analyze the current economic and investment policies, to identify systemic problems that require the development of a system of measures to eliminate or reduce them;

- in a long-term strategy, investment policy and investment potential, their aggregates are considered as an interconnected whole. An integrated and systematic approach makes it possible to more deeply substantiate priority areas, identify important components that require special attention;

- a long-term strategy brings together the interests of state institutions and the private sector in the implementation of a common goal and objectives;

- development of a strategy and its continuous improvement are a scientific product that stimulates the development of macroeconomic theory, methodology and forecasting techniques;

- Long-term forecasts are intended for the scientific substantiation of the solution of major socio-economic and technical problems. For example, the preparation of the mineral resource base, the development and implementation of large investment projects, the creation of new jobs and training, environmental protection and other measures that require a certain period of time for their implementation;

- The results of a long-term strategy for the development of the economy and investment processes are in demand for practical use by specialized research and design institutes for the justification and calculation of the feasibility study of large investment projects.

Regarding the term and concept of “strategy”, various interpretations take place among scientists and specialists and there is no single, recognized wording. Summarizing all the various views and suggestions that are available, the author is of the opinion that strategy is a mechanism for implementing scientifically based priority areas (at the macro, micro, and regional levels) to achieve goals in the future.

At the macro level, we distinguish between a strategy: economic growth, economic stabilization, monetary, fiscal, investment, foreign economic, resource, social, etc. We are primarily interested in the investment policy strategy, its formation, composite aggregates, the order and sequence of development, mechanisms for its implementation through the prism of rational and efficient use of investment potential (Fig. 1).

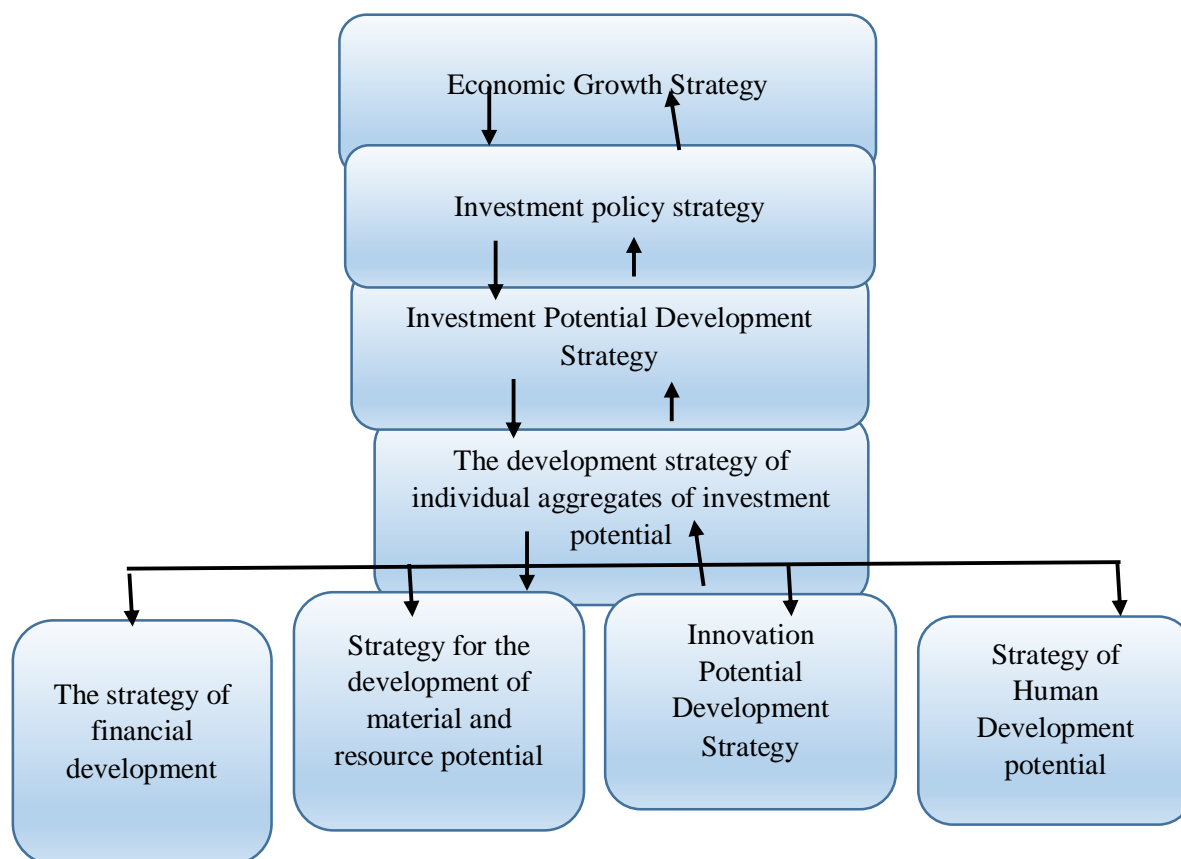


Figure 1: The scheme of formation of the investment potential development strategy

The initial stage of the recommended scheme is the economic growth strategy of Uzbekistan. The main provisions of this strategy directly follow from program documents (strategies, concepts, targeted state programs developed and implemented in accordance with decrees and resolutions of the President of the Republic of Uzbekistan, decisions of the government of the country), which identify priority areas of socio-economic development of the country, regions and industries.

The main strategic goal of Uzbekistan is to build a consistently and dynamically developing, free and prosperous democratic state. The task of ensuring the growth of our economy at a steady pace will always be of strategic importance to us. It is on this basis that we will be able to achieve an increase in gross domestic product by more than 2.0 times by 2030

The following program documents that determine the priority areas of the country's development strategy are an action strategy for the five priority areas of the development of the Republic of Uzbekistan in 2017-2021 and more than 30 medium-term sectoral and territorial development programs.

The action strategy covers the following priority areas: improving the system of state and social construction; ensuring the rule of law and further reform of the judicial system; ensuring the development and

liberalization of the economy; social development; ensuring security, religious tolerance and interethnic harmony, implementing a balanced and mutually beneficial foreign policy

III. RESULTS

Among the important program documents for the formation of a development strategy and investment policy are the officially announced priority target economic and social programs of the Government for 2017 and subsequent years. Based on the strategic objectives of the country's economic development, we have formulated and proposed a strategy for the development of investment potential (Fig. 2).

The first stage of developing a development strategy is associated with an in-depth analysis of the current situation, the dynamics and trends of using investment potential, including its constituent aggregates, the identification of positive changes, shortcomings and systemic problems. Global processes are described in previous chapters of the study.

In this section, the main emphasis is on the definition of strategic goals and objectives for the development of investment potential and its constituent units.

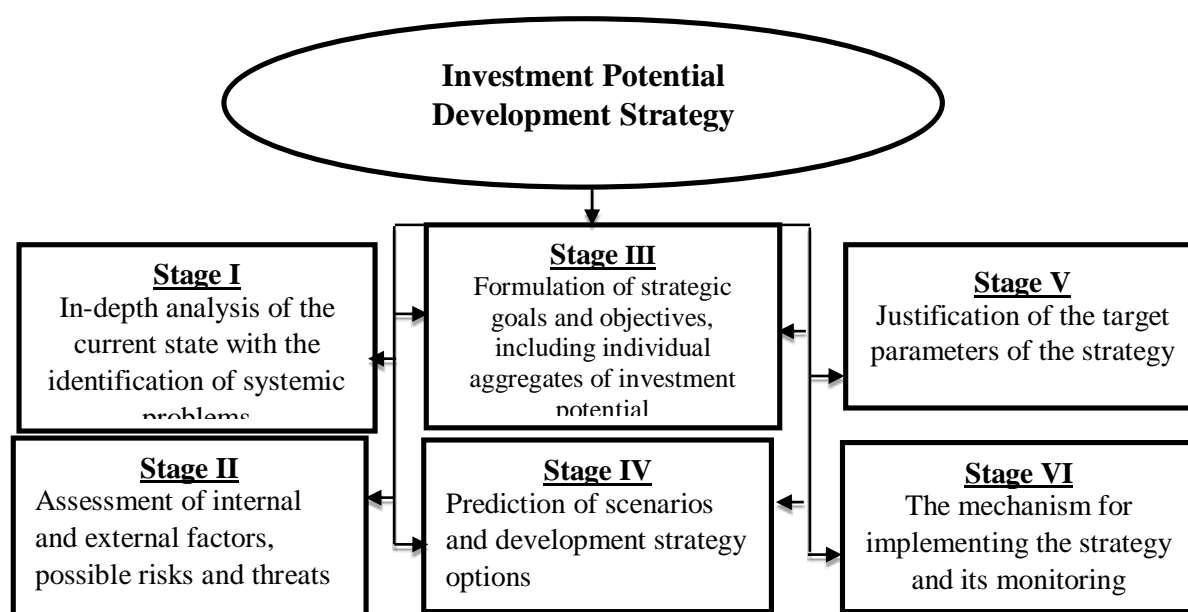


Figure 2: The procedure for developing investment development strategies

Based on a retrospective analysis of the state, trends, patterns, stages of the implementation of investment policy over the years of independence of Uzbekistan, identified systemic problems, reserves and the possibility of involving additional resources to ensure high rates of economic growth, priorities of global investment processes, officially identified priority areas of socio-economic development countries, the following conceptual framework for the strategic objectives of investment Long-term policy:

- legislative and legal support of investment activity, achieving its stability, reforming the entire system of state and market regulatory institutions in order to significantly intensify investment processes;

- ensuring priority mobilization of investment resources to increase competitiveness, modernization, technical and technological renewal of industrial production based on the most advanced achievements of innovative development, implementation of projects for in-depth processing and production of finished products;
- maintaining a high level of investment in human potential, primarily investing in social and industrial infrastructure, housing, education and health, remains a cross-cutting priority;
- Formation of the most favored nation regime by creating the necessary investment climate for large-scale attraction of foreign and domestic investors, expanding cooperation with international financial institutions, reputable companies and banks;
- the introduction of new forms and tools to enhance investment processes that are widely used in world practice in the field of monetary, fiscal, foreign economic policy, stimulating the attraction of own funds of enterprises and people's savings, increasing the role of securities in the financial market;
- a consistent increase in the effectiveness and efficiency of attracted investments, a mandatory examination of large investment projects taking into account potential risks, socio-economic consequences and national security;
- large-scale implementation of information technologies at all stages and cycles of the investment field, organization of a management and marketing system that meets international standards, training and retraining of personnel, expansion of research and development projects, creation of a permanent monitoring system for the use, effectiveness and efficiency of investment potential;
- Improving the system of agitation and propaganda, positioning the competitive advantages of Uzbekistan on the world stage to enhance investment processes domestically and abroad, expanding export potential.

The main ultimate goal of the long-term investment policy strategy of Uzbekistan, taking into account internal and external factors, is to form an innovation-oriented economic structure based on large-scale modernization and industrialization of the country, to ensure sustainable high rates of economic growth and well-being of the population, which are among the developed competitive countries of the world.

It should be noted the need to ensure consistency in the implementation of the development strategy of the country's investment potential.

The first stage of 2017-2021. Investment policy and its main priority areas are officially determined by the government, through the development and implementation of a package of targeted state programs.

The second stage is 2022-2030. The development strategy will be implemented through qualitative shifts in the use of reserves and the potential of the existing investment potential and market mechanisms for enhancing investment processes.

A prerequisite for the development of a strategy for the development of investment potential was the analysis of the state, trends, patterns, stages of the implementation of investment policy over the years of independence of Uzbekistan, identified systemic problems that showed that in Uzbekistan, with a consistent increase in the volume of investment potential, there is a tendency to decrease its effectiveness both in quantitative and in a qualitative dimension. Negative dynamics is also characteristic of investment performance indicators. The reasons for this situation lie in objective and subjective factors. The features and difficulties of the transition period to market management mechanisms that are characteristic of all post-Soviet countries and have a certain investment lag and a high investment load seem objective. Subjective factors include the lack of a long-term investment policy that defines the priority structural directions for using investment potential, the low level of

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management of investment process management on a systematic basis within a single investment field, an insufficiently created investment climate for attracting foreign investment and mobilizing domestic reserves of the country's investment potential.

IV. CONCLUSIONS

Based on the identified problems, reserves and opportunities to attract additional resources to ensure high rates of economic growth, priorities of global investment processes, officially identified priority areas of socio-economic development of the country, the conceptual foundations of the strategic objectives of developing investment potential for the long term are recommended:

- legislative and legal support of investment activity, achieving its stability, reforming the entire system of state and market regulatory institutions in order to significantly intensify investment processes;
- ensuring priority mobilization of investment resources to increase competitiveness, modernization, technical and technological renewal of industrial production based on the most advanced achievements of innovative development, implementation of projects for in-depth processing and production of finished products;
- maintaining a high level of investment in human potential, primarily investing in social and industrial infrastructure, housing, education and health, remains a cross-cutting priority;
- Formation of the most favored nation regime by creating the necessary investment climate for large-scale attraction of foreign and domestic investors, expanding cooperation with international financial institutions, reputable companies and banks;
- the introduction of new forms and tools to enhance investment processes that are widely used in world practice in the field of monetary, fiscal, foreign economic policy, stimulating the attraction of own funds of enterprises and people's savings, increasing the role of securities in the financial market;
- a consistent increase in the effectiveness and efficiency of attracted investments, a mandatory examination of large investment projects taking into account potential risks, socio-economic consequences and national security;
- large-scale implementation of information technologies at all stages and cycles of the investment field, organization of a management and marketing system that meets international standards, training and retraining of personnel, expansion of research and development projects, creation of a permanent monitoring system for the use, effectiveness and efficiency of investment potential;
- Improving the system of agitation and propaganda, positioning the competitive advantages of Uzbekistan on the world stage to enhance investment processes domestically and abroad, expanding export potential.

At present, and especially in the future, the innovative component of the investment potential will largely determine the final results and the effectiveness of the country's structural and investment policy. Based on the requirements of innovative development, a deep structural adjustment of the entire economy, respectively, of the investment potential should be carried out. The main result of innovative potential is the creation of new scientific knowledge, and their subsequent implementation in new technologies, new products and services, which is an important factor in increasing the efficiency, on the one hand, of the entire economy of the country, and on the other, of each component of the investment process.

The efficiency of the economy and investment is greatly enhanced by the presence of a national innovation system as an institution for the creation and implementation of new high-tech industries.

The scientific and technical policy of the state is the basis for the implementation of rational innovative activities of this system. It includes firms leading in the development of the latest technologies, institutions leading the most promising research and development institutes. At the same time, innovative development, in particular the widespread introduction of information technology, is characteristic of all structures and divisions that carry out investment activities.

Global trends in the development of innovations are characterized by the development of long-term strategies taking into account the rapidly changing and unstable world conditions, the creation of favorable conditions for the development of science and high-tech industries, a large-scale orientation to high-tech products and services, a significant increase in the cost of *R&D*, and the creation of the necessary legislative and regulatory and regulatory framework for innovation. base.

Given the current state and global trends, the strategy for the development of innovative potential should include the following priority areas:

- Formation of the legislative framework, in particular, the development and adoption of a law on science and science and technology policy in Uzbekistan, as well as on innovation and innovation;
- improving the development and implementation of state scientific and technical programs that provide for the optimal combination of fundamental and applied research, linking them with the main priorities of the country's socio-economic development and the real needs of the economy;
- Improving the organizational structure of science and innovation management with a clear delineation of the functions and tasks of functional, sectoral and university science, innovative activity at various levels of management and ownership;
- Creation and expansion, at the level of industries, business associations and enterprises, regions, centers (bureaus) for the development and implementation of innovative projects;
- the formation of economic mechanisms to stimulate companies, firms, small businesses and private entrepreneurship to introduce innovative technologies, in particular the creation of various state and non-state funds to support innovative activities;
- improving the efficiency of existing and emerging business incubators, technology parks, free economic zones, which are designed to introduce new high-tech and innovative developments;
- a consistent transition from the external borrowing of innovations and the transfer of high technologies to the creation of a domestic school of scientific developments of its own technology that competes in the world market in priority areas of the country's economy;
- to prevent lagging behind other developing countries in the application of new achievements in the field of bio- and nano-technologies, microelectronics, information and communication technology, renewable energy, new materials and innovative products that provide a significant increase in efficiency (cost reduction, higher labor productivity, lower energy consumption, material consumption, water consumption, transport capacity, capital intensity, etc.) and the competitiveness of the economy;
- dramatic improvement in the mobilization and stimulation of the participation of gifted youth in research and development through the creation of innovative centers (cities), training and internships in foreign research and development laboratories and design bureaus, the introduction of effective economic incentives and state support

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mechanisms. The main ultimate goal of the long-term strategy for the development of the investment potential of Uzbekistan, taking into account internal and external factors, is to form an innovation-oriented economic structure based on large-scale modernization and industrialization of the country, ensuring sustainable high rates of economic growth and well-being of the population, which are among the developed competitive countries of the world .

It should be noted the need to ensure consistency in the implementation of the development strategy of the country's investment potential.

At the initial stage, in order to improve and develop investment potential in the Republic of Uzbekistan, it is advisable: to strengthen the influence of investment processes on economic growth and export orientation of the national economy, develop a State long-term program for the strategy of formation and development of investment potential; in the future, in the macroeconomic regulation of investment processes, gradually, along with stimulating the attraction of foreign investments, switch to the methodology of generating own (domestic) investment potential, develop in this regard, relevant legislative and regulatory acts, develop a new draft Investment Code of the Republic of Uzbekistan.

In general, summarizing the foregoing, it can be noted that a long-term development strategy for the economy, primarily investment potential, is necessary for the purposeful regulation of the investment field and flows, coordination of state and non-state structures, territorial and sectoral governing bodies involved in their activities; creating a favorable investment climate to attract investors; improving the efficiency and effectiveness of economic development; timely response to external and internal investment risks.

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