



Journal Website:

<https://theusajournals.com/index.php/ajsshr>

Copyright: Original

content from this work may be used under the terms of the creative commons attributes 4.0 licence.

## TO THE THEORETICAL AND METHODOLOGICAL ASPECTS OF STATE MANAGEMENT OF INVESTMENT ACTIVITIES

**Submission Date:** June 08, 2022, **Accepted Date:** June 18, 2022,

**Published Date:** June 29, 2022

**Crossref doi:** <https://doi.org/10.37547/ajsshr/Volume02Issue06-17>

**Sabirov Oybek Shavkatbekovich**

Ph.D, associate professor at Tashkent state university of economics, Tashkent, Uzbekistan

### ABSTRACT

Discussed are the debatable issues of determining priority areas for the development of state management of investment activities in modern market conditions, which in turn helps to strengthen the methodological base for studying the problems of creating an effective system of state investment management.

### KEYWORDS

Investments, investment activity, investment management, investment activity management mechanism.

### INTRODUCTION

At the present stage of the transformation of the economy of the Republic of Uzbekistan, which involves the transformation of structures, forms, methods of economic activity and a change in business activity in the economy, the problem of state management of investment activities and the rise on this basis of the domestic productive sector is central. It is on its successful solution that the direction and pace of

further socio-economic transformations in the Republic of Uzbekistan and, ultimately, ensuring sustainable economic growth largely depend.

Solving the problem of state management of investment activities requires the creation of special conditions for organizing investment activities that effectively ensure the efficient and targeted use of invested funds. Therefore, the issue of state

management of investment activities in the Republic of Uzbekistan, the conditions and factors of its formation, is currently coming to the fore and is very relevant.

At present, the general level of scientific developments on the problems of state management of investment activity lags behind the needs of economic practice. The effectiveness of the mechanism of state management of investment activities will largely depend on how it will correspond to the goals and objectives of increasing the investment activity of economic entities and the effectiveness of state regulation in this area implemented in the course of ongoing reforms.

That is why, the President of the Republic of Uzbekistan Sh. Mirziyoyev emphasized “the existing systemic problems in this area, which should be carefully studied, and one of the important areas of the Concept for improving the tax policy of the Republic of Uzbekistan was highlighted - maintaining a favorable regime for foreign investors and investments, their comprehensive support and reliable legal protection”[1], which is a determining factor in the state management of investment activities in the country.

## **LITERATURE REVIEW**

In the economic literature, there has not yet been a consensus on what should be understood as investment activity. So, McConnell K.R. and Brew S.L. investment activity is identified with the investment process, considering them as the process of investing investment resources in some project [2].

Evaluation of textile and clothing industry clustering capabilities in Uzbekistan were researched by Ergashxodjaeva, S. J. [20], Kyvyakin, K. S., Tursunov, B. O. [12,13,16,17], evaluation of competitiveness of brands

of local sewing and knitting enterprises were studied by Hakimov, Z.[15], innovative and export potential of the agro-industrial complex of Uzbekistan were investigated by Yuldashev, N. K., [14], Umarchodjaeva, M. [18], Saidova, M., [19] and others.

Also, some foreign researchers as well as Kaya M.[21], Abdylidaev, M.[22], Polat, C.[23], ÖZDEN K. [24], Maksudunov A. [25,27], ELEREN A. [26] researched of some marketing issues of durable consumer goods.

It seems that these categories cannot be identified, since the concepts of "activity" and "process" have different interpretations. For example, in the dictionary of Ozhegov S.I. the following definition of the concept of "process" is given: it is the development of a certain phenomenon, a successive change of states in the development of something [3].

In the encyclopedic dictionary, the term "activity" is explained as a specific human form of attitude to the world around, the content of which is its expedient change in the interests of people. And further... "activity includes the goal, means, result and the process itself" [4]. This means that activity is a broader concept that includes the investment process itself.

In addition, a number of researchers believe that the process of investing in business facilities and social infrastructure is called investment activity. Thus, L. Igonina understands investment activity (investment) as the process of converting investment resources into investments [5]. Of course, such a definition cannot be called complete and entirely reflecting the essence of the category.

Other authors understand investment activities as activities related to investing in investment objects in order to generate income (effect). In particular, Raizberg B., Lozovsky L., Starodubtseva E. investment

activity is defined as an investment funds, investment; the overall activity of investing money and other values in projects, as well as ensuring the return on investment [6]. True, they do not specify in what and how the said return will be expressed. Still others consider investment activity as a set of practical actions of individuals, legal entities and the state regarding the implementation of investments.

We share the position of Alpatkaya E.G. and its supporters, who argue that investment activity can be represented as a combination of three stages or stages:

- 1) Attraction of financial resources necessary for investment using the opportunities of the stock and financial markets;
- 2) Direct investment, i.e. investment of received funds investment projects;
- 3) Implementation of investments, namely, obtaining a return on investment in the form of profit or other positive effect [7].

It should be noted that the existing problem of identifying the concepts of "investment activity" and "investment" is widely discussed in the scientific community. For example, Aladin V.V. notes that the movement of investments in the region consists of two stages. At the first stage, investment activity or investment is carried out directly, i.e. investment of funds from investment resources, and at the second stage, investment costs are supposedly paid off and income is obtained [8]. Obviously, in this case, the author considers the terms "investment activity" and "investment" as synonyms.

However, there are diametrically opposed points of view when economists distinguish between these concepts. They divide investment activity into three stages: the actual investment, the transformation of

invested funds into an increase in capital value, profit and / or social effect. At the same time, investment is considered as the beginning of the second stage.

Of undoubted interest is the approach of Gubanova E.S., who tries to distinguish between these categories by comparing their semantics. For example, she believes that the term "investment" comes from the verb "invest" and therefore it should be interpreted as "investment" [9]. We adhere to the point of view of that cohort of researchers who consider investment activity and investment as independent economic categories.

## RESEARCH METHODOLOGY

This scientific article used the methods of systematic and comparative analysis, economic and statistical analysis and generalization, statistical comparison and grouping, economic modeling, forecasting.

## ANALYSIS AND RESULTS

Today, it is quite obvious that investments and investment activities occupy an undeniably important place in the economic development of the country. Meanwhile, in the economic literature there is no consensus on the essence of investment. In the course of the study, based on a generalization of the classifications available in the economic literature, an attempt was made to take into account all the criteria by which investments can be classified. Such a classification [10] seems to be the most suitable for use in enterprises focused on industrial and innovative development.

Hence, based on the indicated stages of the investment activity, we give the following definition of this category. In our opinion, investment activity is the activity of individuals and legal entities, as well as the state, associated with attracting and investing the

necessary various kinds of resources in projects of socio-economic significance with the obligatory organization of a system of control over their use in order to subsequently ensure a return on investment in the form of obtaining profit and/or other positive effect.

According to its content, investment activity is divided into the following types:

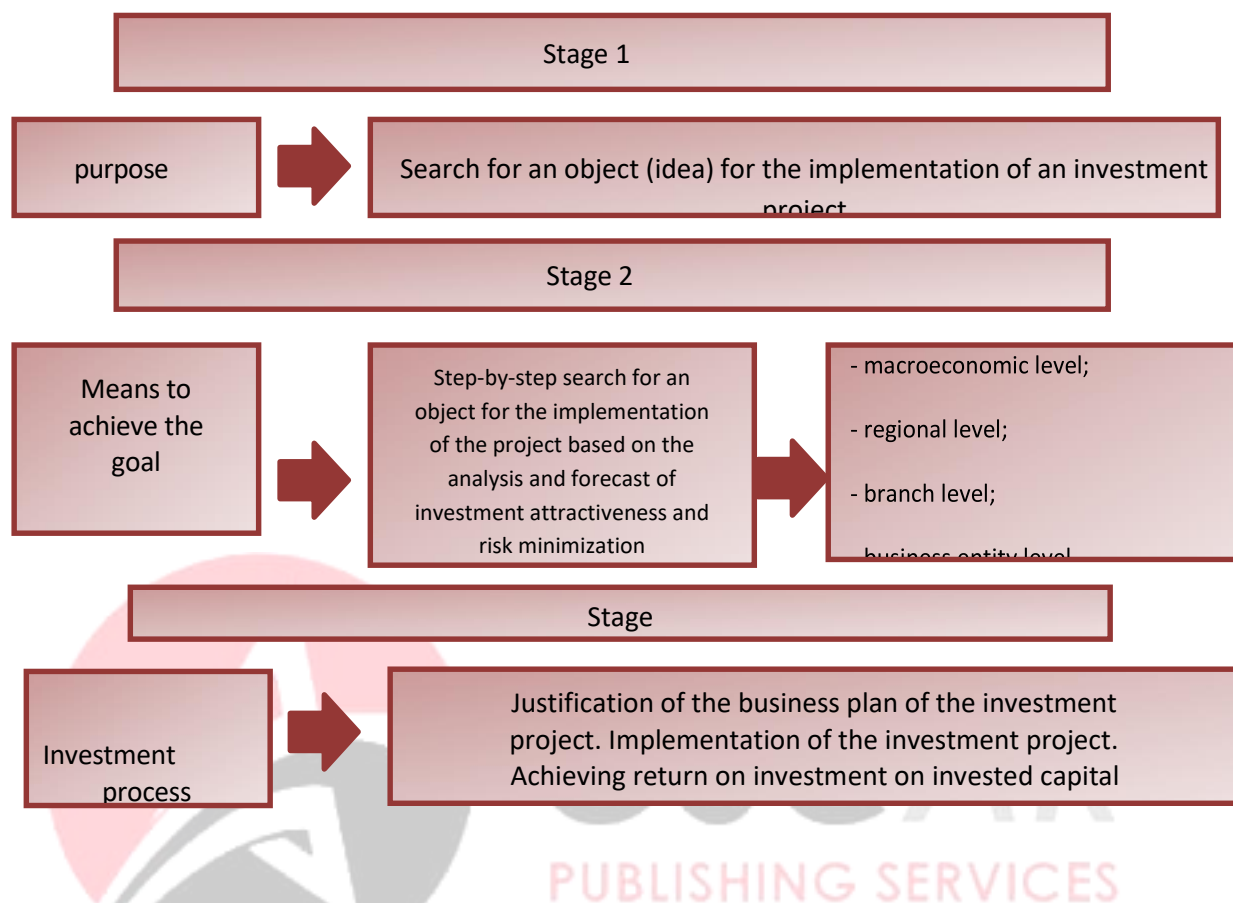
- Straight line, i.e. investments in the production of goods (works, services), construction or reconstruction of an object;
- Loan, which is carried out in the form of a loan, credit. At the same time, the investor's interest lies in the timely receipt of profit in the form of interest under loan and credit agreements;
- Portfolio, i.e. through the purchase of securities. Moreover, the portfolio type of investment activity involves only receiving dividends on invested capital.

Investment activity can be carried out in such forms as:

- 1) state, involving two ways of implementation:
  - Thanks to state authorities and administration on the basis of the use of funds from the relevant budget, borrowed funds and extrabudgetary funds;
  - Thanks to large state-owned companies and enterprises through the use of their own or borrowed funds;
- 2) A private form carried out by individuals, non-state enterprises, public and religious organizations, as well as other legal entities with collective property;
- 3) Foreign investment, in which foreign citizens, state and non-state companies take part;
- 4) A joint form in which foreign companies are involved together with domestic enterprises [11].

As noted above, investment activity is a broader concept and includes the investment process, as shown in Figure 1.





Rice. 1 - Stages of investment activity and its components\*

\*Compiled by the author based on [12]

At the same time, the investment process is understood as a sequence of stages, actions and operations for the implementation of investment activities.

It should be noted that the investment process has all the features of a system. That is, it contains a subject (investor), an object (object of investment), a relationship between them (investment in order to obtain investment income) and the environment in which they exist (investment environment). At the

same time, communication acts as a system-forming factor, since it unites all other elements into one whole.

The subjects of investment activity are the investor, customers, contractors, users of objects of investment activity, etc.

The subjects can be: legal entities and individuals, foreign and domestic, individual, collective and institutional investors, investment institutions, professional participants in the securities market,

other states and international organizations. In addition, investors can be public and private, individual and collective.

The objects of investment activity are physical assets (buildings, structures, equipment), financial and intangible assets. These are: newly created and modernized fixed assets, targeted cash deposits, securities, scientific and technical products, property rights, as well as intellectual property rights.

It is clear that the investment process does not exist on its own, but is always included in a certain space of the next level. This means that it should be considered within the framework of a holistic approach, the application of which allows one to exhaustively describe the place and role of the investment process both in a single area of activity and in the system of social relations.

At the moment of making an investment, the investor establishes a connection with a specific object and becomes its participant. Such a combination, initially as a result of the influence of the investor, leads to a change in the properties of the investment object. Then the changed properties in the form of investment income affect the investor, changing in turn its properties, including filling the existing deficit. As a result, after the termination of the investment process, the subject and object begin to exist in a new capacity. This is how the investment process contributes to the diffusion of the properties of the subject and the object.

The investment process in the country is influenced primarily by the following interrelated factors:

- Functional ratio, according to which income is distributed to consumption and savings;

- The rate of net profit: the higher the rate of return, the greater the amount of investment;
- Loan interest; moreover, investment is economically profitable and expedient in the case when the rate of return exceeds the rate of loan interest;
- The inflation rate, since the higher the inflation rate, the lower the real income from investments, which means that the motivation for long-term investment is less [13].

The basis of any investment process in the country is the state. With the help of the investment management system, it has an impact on the change in the country's production potential, economic growth rates, an increase in the volume and quality of material and spiritual goods produced, and the development of infrastructure.

Management of investment activities on a national scale involves the implementation of state regulation. It should be noted that state regulation of investment activity is carried out in each country. Moreover, the need to intensify regulatory measures depends on the state of investment processes and the level of development of the economy as a whole. While the activation of investment activity largely depends on the implementation of financial, credit, depreciation, price, tax, currency, and investment policies. This suggests that the state regulation of investment processes is aimed at ensuring the maximum efficiency of investment investments.

Usually, in the economic literature, state regulation of investment activity is characterized as forms and methods of an administrative and economic nature defined by law, used by governments at all levels to implement investment policy.

In our opinion, the following definition is more accurate: state regulation of investment activity is a set of state approaches and decisions enshrined in legislation, as well as organizational and legal forms within which the investor operates.

The investment policy of the state requires a certain mechanism for its implementation, determines the

forms and methods of managing investment activities. The real state and directions of development of this mechanism are reflected in the legislative framework that regulates investment processes.

The main forms of state regulation of investment activity, shown in Figure 2, involve:

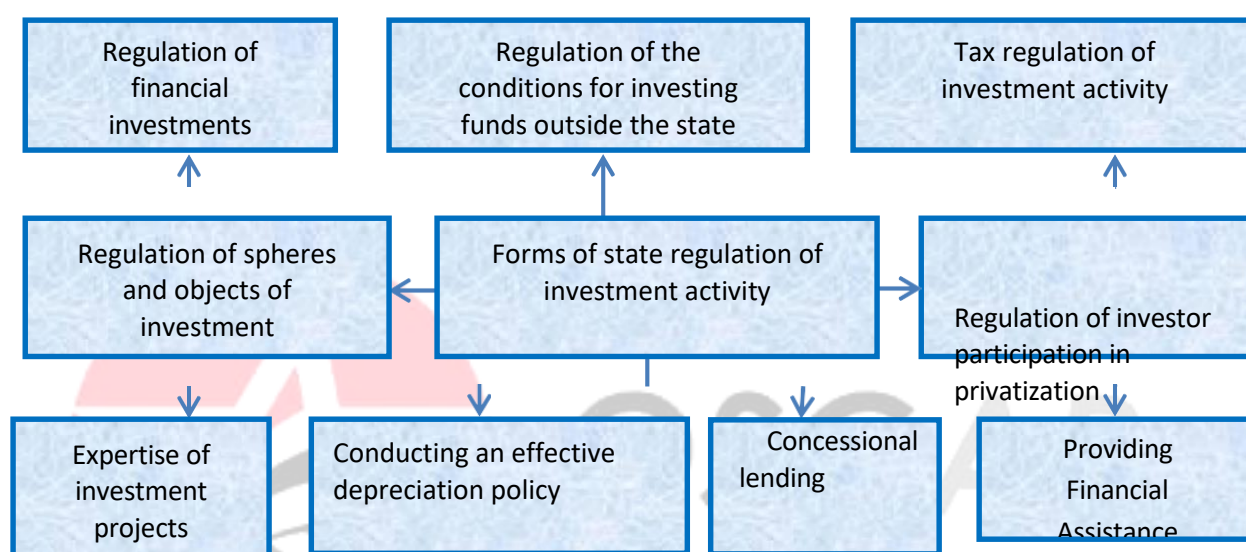


Fig. 2 - Main forms of state regulation of investment activity\*

\*Compiled by the author based on [14]

A) In order to create favorable conditions for the development of investment activities[15]:

- Improvement of the tax system, the mechanism for calculating depreciation and the use of depreciation deductions; establishing special tax regimes for subjects of investment activity;
- Protecting the interests of investors;
- Provision of preferential conditions for the use of land and other natural resources;
- Implementation of antimonopoly measures;
- Development of financial leasing;

- Carrying out revaluation of fixed assets in accordance with inflation rates;
- Creation of opportunities for the formation by the subjects of investment activity of their own investment funds;
- Expanding opportunities for the use of secured lending;
- Creation of a network of information and analytical centers that make up the ratings of the subjects of investment activity.

B) The direct participation of the state in investment activity is manifested in the following[16]:

- Development and financing of investment projects implemented jointly with foreign states, as well as investment projects financed from the republican budget;
- Drawing up a list of construction projects and objects of technical re-equipment for state needs and financing them at the expense of the state budget;
- Placement on a competitive basis of state budget funds to finance investment projects. The placed funds are subject to return with the payment of interest for use or on the terms of fixing in state ownership the corresponding part of the shares of the joint-stock company being created;
- Conducting an examination of investment projects and a description of practical actions for the implementation of investments;
- Protection of enterprises from the supply of obsolete and material-intensive, energy-intensive and not science-intensive technologies, equipment, structures and materials;
- Development and approval of standards (norms and rules) and control over their observance;
- Issue of bonded loans, guaranteed targeted loans;
- Involvement in the investment process of mothballed construction projects and state-owned facilities;
- Provision of concessions to domestic and foreign investors based on the results of tenders (auctions and tenders).

## CONCLUSION AND SUGGESTIONS

1. Investments are investments made by a subject of state power, an individual or legal entity that is a resident or non-resident of the country, as well as investments in the purchase of securities made in order to achieve strategic goals with mandatory forecasting of the level of risk and return.

2. Investment activity and the investment process are independent, but closely interrelated concepts. Moreover, in terms of its economic content, investment activity is wider than investment and the investment process. In the course of tracing the evolution of the formation of investment activity, its nature is revealed, the main forms, types, main components and objects are reflected. The interrelated factors influencing the investment process in the country, as well as the implementation mechanism, forms and methods of investment management are identified.
3. The mechanism for the implementation of investment policy implies the existence of various forms and methods of regulation of investment activity. The actual state and development of this mechanism are reflected in the legislative framework governing investment processes. It can be noted that there are three forms of state participation in investment activities: direct participation of the state in investment activities, carried out at the expense of budgetary funds; creation by the state of favorable conditions for the development of investment activities, i.e. indirect state regulation of investments; mobilization and formation of investment resources.

## REFERENCES

1. Decree of the President of the Republic of Uzbekistan No. UP-5468 dated June 29, 2018 "On the Concept for Improving the Tax Policy of the Republic of Uzbekistan".
2. McConnell K. R., Brew S. L. Economics: Principles, problems and politics: in 2 vols. - M.: Respublika.- 1993. - 400 s.
3. Ozhegov S.I., Shvedova N.Yu. Explanatory dictionary of the Russian language - M. - 2010.



4. Big Encyclopedic Dictionary / ed. A.M. Prokhorova.–M.: Soviet encyclopedia.–1993. - 1632 p.
5. Igonina L. Investments: textbook. 4th ed.–M: Economist.–2015.–478 p. 12
6. Reisberg B. Modern Economic Dictionary.–M: Infra-M.–2011.- 479p.
7. Alpatskaya E.G. Investment activity: institutional aspect // Bulletin of the Chelyabinsk State University.–2019.–No. 14.– P.82-89.
8. Moroz S.P. On the issue of improving the investment legislation of the Republic of Kazakhstan // Bulletin of KazNU. –2018.–№3
9. Ershova I.V., Ivanova T.M. Entrepreneurial law: textbook - M.: Jurisprudence. -2016. –282 s.
10. Burkhanov, A., & Tursunov, B. O. (2020). Main indicators of textile enterprises' financial security assessment. *Vlakna a Textil*, 27(3), 35-40.
11. Abdurakhmanova, G. K., Fayziyeva, D. S., Gaibnazarov, S. G., Tursunov, B. O., & Shayusupuva, N. T. (2020). Methodical aspects of establishing a control system over compliance with principles of decent work and social security in textile enterprises. *Journal of Advanced Research in Dynamical and Control Systems*, 12(5), 73-81.
12. Tursunov, B. O. (2019). Methodology for assessment the efficiency of production capacities management at textile enterprises. *Vlakna a Textil*, 26 (2), 74-81.
13. Tursunov, B. O. B. I. R. (nd). safeiqro sawarmoebaSi gamoyenebuli simZlavreebis efeqtianobis amaRleba sawarmoo maragebis marTvis safuZvelze. ინვესტიციური ეკონომიკა და მართვა, 85.
14. Yuldashev, N. K., Nabokov, V. I., Nekrasov, K. V., & Tursunov, B. O. (2021). Innovative and export potential of the agro-industrial complex of Uzbekistan. In *E3S Web of Conferences* (Vol. 282, p. 06004). EDP Sciences.
15. Abdirahmonovich, A. T., Hakimov, Z., Tursunov, B., & Oqboyev, A. (2021). Evaluation of Competitiveness of Brands of Local Sewing and Knitting Enterprises. *Revista geintec-gestao inovacao e tecnologias*, 11(2), 716-739.
16. Tursunov, B. O. (2019). Methodology for assessment the efficiency of production capacities management at textile enterprises. *Vlakna a textil*. Vol 2, 2019.
17. Tursunov, B. (2021). Cluster Analysis of the Industrial Sector in Ensuring the Financial Security of Textile Enterprises of Uzbekistan. *Asian Journal of Technology & Management Research (AJTMR)* ISSN, 2249(0892).
18. Tursunov, B. O., Umarchodjaeva, M., Rustamov, N., Umarova, G., & Rejabbaev, S. (2021). Analysis of Industrial Production Potential in Ensuring the Economic Security of the Regions. *REVISTA GEINTEC-GESTAO INOVACAO E TECNOLOGIAS*, 11(3), 1411-1421.
19. Kholmuminov, S., Tursunov, B., Saidova, M., Abduhalilova, L., & Sadriddinova, N. (2021, December). Improving the Analysis of Business Processes in Digital Era. In *The 5th International Conference on Future Networks & Distributed Systems* (pp. 775-789).
20. Ergashxodjaeva, S. J., Kyvyakin, K. S., Tursunov, B. O., & Ahmadovich, H. Z. (2018). Evaluation of textile and clothing industry clustering capabilities in Uzbekistan: based on model of M. Porter. *Int J Econ Manag Sci*, 7(439), 2.
21. Kaya, M., & Maksudunov, A. (2017). Öğrencilerin Otel İşletmelerindeki İş Etiğine Yönelik Algıları. In *International Conference on Eurasian Economies* (Vol. 192, p. 198).
22. Chavus, S., Maksudunov, A., & Abdylidaev, M. (2012). Tourism competitiveness in Central Asian Turkish Republics: An assessment in terms of

entrepreneurship. International Journal of Business and Social Science, 3(23), 116-121.

23. Polat, C., & Maksudunov, A. (2012, October). Mobil telefon pazarında üniversite öğrencilerinin tercihleri: Kırgızistan örneği. In International Conference on Eurasian Economies (Vol. 11, p. 13).
24. ÖZDEN, K., & MAKSÜDÜNOV, A. (2012). The importance of country of origin on purchasing durable consumer goods: In case of Kyrgyzstan. Journal of Yasar University, 25(7), 4348-4356.
25. Maksüdünov, A. (2019). Otel web sitelerinin içerik analizi yöntemiyle değerlendirilmesi: Bışkek'te bir araştırma. Karamanoğlu Mehmetbey Üniversitesi Sosyal ve Ekonomik Araştırmalar Dergisi, 21(37), 186-196.
26. MAKSÜDÜNOV, A., ÇAVUŞ, Ş., & ELEREN, A. (2016). YÜKSEK ÖĞRETİMDE ÖĞRENCİLERİN HİZMET KALİTESİNE YÖNELİK ALGILAMALARI. Manas Sosyal Araştırmalar Dergisi, 5(4), 65-76.
27. MAKSÜDÜNOV, A. (2018). GİRİŞİMCİLİK MOTİVASYONUNU ETKİLEYEN FAKTÖRLER: KIRGIZİSTAN VE HİNDİSTAN'DA LİSANSÜSTÜ ÖĞRENCİLER ÜZERİNE KARŞILAŞTIRMALI BİR ARAŞTIRMA. Mustafa Kemal Üniversitesi Sosyal Bilimler Enstitüsü Dergisi, 15(41), 38-56.

**OSCAR**  
PUBLISHING SERVICES