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ECONOMIC MANAGEMENT AND ATTRACTING INVESTMENTS

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ABOUT ARTICLE

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Abstract: This article is devoted to management activities and the problem of attracting foreign direct investment. Along with management issues in the economy, the main tasks are considered, the solution of which can be introduced into the process of economic development of the Uzbek economic model. In many ways, the successful development of the economy depends on the plans and strategies of action. A review of research works showed that deep socio-economic transformation in the economy should be realized.

INTRODUCTION

Since the mid-1980s, there has been a rapid increase in investment flows, mainly foreign direct investment[1]. The volume of current foreign direct investment in the world ranges from 650 to 700 billion US dollars annually. It should be noted, however, that competition among developing countries in attracting foreign investment has intensified significantly in recent years. First of all, the influence of globalization on the world economy is affecting, which, on the one hand, contributed to a significant change in the direction of capital movement towards developed countries, and on the other hand, the emergence of modern banking technologies contributes to the widespread spread of speculative forms of capital movement to the detriment of long-term investments, which, in turn, destabilizes the global financial system and has already contributed to several global financial crises and shocks. Thus, the share of foreign direct investment, which accounts for all African countries, has decreased significantly over the past 30 years and currently amounts to only 3% of the total volume of global foreign direct investment.

It should be noted that regions that are classified as developing markets are characterized by a high need for investment resources for socio-economic development. The difficulty in solving this problem lies in the limited possibilities of domestic government savings, in the inability of both national and foreign investors to compensate for the lack of investment in the real sector of the economy due to the low profitability of enterprises and, most importantly, the high degree of risk. Therefore, targeted efforts by government agencies are needed to develop new investment policies in the countries of this region. Investment policy determines the specifics of the directions and means of regulating the admission of foreign investments into the host economy, as well as forms of stimulating their attraction. As world experience shows, the unification of individual states' efforts within the framework of a regional integration group contributes to the development of the activity of foreign investors. The problem of intensifying investment activity in some regions is systemic and affects all sectors of the region's economy. This has necessitated the search for new approaches to government stimulation of investment activity that adequately reflect and take into account the market mechanism of its functioning, as well as modern realities of administrative management.

This problem is caused by the fact that currently there is no holistic theory of effective management of investment activities at various levels of macroeconomics (regional, national) and, accordingly, there is a need to develop its components. Issues of intensifying investment processes are identified and discussed in the scientific literature, primarily at the micro level. The task of increasing investment activity in the region and in individual countries cannot be solved by simply increasing government intervention. We should be talking about creating a favorable climate for foreign investors, helping to accelerate the effective transformation of savings into investments. Studying theoretical developments and practical experience in the field of investment processes in developing regions can be useful in terms of overcoming shortcomings in stimulating investment activity, both at the level of the integration group and in individual countries.

A necessary condition for using certain characteristics to classify investments as property assets is the existence of these characteristics before the time of investment (that is, they should not be determined by the peculiarities of the investment process or the further use of capital). Depending on the subject (type of property assets), investments are divided primarily into monetary and non-monetary. The possibility of making investments in both monetary and non-monetary form creates a potential conflict of interests between the investor and the recipient of the investment (recipient): although under optimal conditions both parties strive to achieve a mutually beneficial economic result, monetary investments are more beneficial for the recipient than for the investor, non-monetary ones - vice versa. For an investor, investing in cash means spending money on acquiring property characterized by less liquidity - real estate, equipment, intellectual property, financial assets, etc. In addition, the possibilities for alternative use of capital in monetary form are higher than in non-monetary form. For the recipient, monetary investments increase its liquidity and, therefore, are the most attractive from the point of view of both its own interests and the interests of its creditors.

Depending on the form of ownership, investments such as property assets can be state, communal, or private. The general features of state and municipal investments are associated with the belonging of the corresponding forms of ownership to public forms. Such features include implementation in the public interest; connection with the budget process; the predominantly competitive basis for selecting investment projects; special mechanisms to control intended use; and special restrictions on the direction of investment of these investments.

In our opinion, the main criteria for classifying investments as operations are: investment object; investment period; and purpose of investment. Depending on the object of investment, the economic literature traditionally distinguishes between real (capital, capital-forming) and financial investments. Real investments are capital investments in the reproduction of fixed assets, innovative intangible assets and other investment objects related to the implementation of operating activities or improving the working conditions of personnel. Financial investments characterize the investment of capital in various financial investment instruments, mainly in securities to generate income.

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