

THEORETICAL AND PRACTICAL APPROACHES TO REGULATING INVESTMENT AND INNOVATION DEVELOPMENT OF THE ECONOMY**Kurbonov Salimjon Numonjonovich**

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Abstract: This article analyzes theoretical and practical approaches to regulating the investment and innovative development of the economy. The study highlights the impact of the interrelationship between investments and innovations on economic efficiency, production volume and labor productivity. The authors analyze the role of tax policy, financial support mechanisms, venture capital and state subsidies in the development of investment and innovative activities. They also identify imbalances in the economic development of regions, low efficiency of the investment environment and problems in the implementation of innovative projects. The article develops proposals for improving the financial, institutional and organizational conditions necessary for innovative development and substantiates the priority areas of investment and innovation policy to accelerate economic growth.

Keywords: investment, innovation, economic development, financial mechanisms, tax policy, regional economy, venture capital, economic efficiency.

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The study of the prospects for the development of the regional economy is based on a deep understanding of the close relationship between investment and innovation in modern scientific research. The complementary effect of these two processes is that capital investments and other types of investment activities carried out by business entities for the implementation of innovative projects serve as an important impetus for the development of local entrepreneurship, as well as the improvement of social and logistics infrastructure. In addition, the creation of new jobs as a result of these processes significantly increases the attractiveness of the region for living. Nevertheless, significant disparities in the economic development of regions in the implementation of investment and innovation projects in the Republic of Uzbekistan are manifested as a significant obstacle. The reason for these disparities is explained, first of all, by the orientation of the industrial potential of the regions to the production of low-frequency, i.e. relatively low value-added products, and the weakness of the associated investment and innovation processes.

Main part

Uzbek economist O.M. Vabina, in explaining the essence of this relationship, first of all, draws attention to the multiplicative effect of the combination between investments and innovations. According to him, this effect leads to such positive results at the level of economic entities as reducing the cost of production, increasing production volumes and profitability, improving labor productivity, creating new jobs, and improving working conditions for employees.

From this perspective, the state's investment and innovation policy should be aimed at encouraging business to invest in the national economy by creating favorable legal and economic conditions.

This, in turn, indirectly reflects the interrelationship between the investment and economic activities of enterprises and the development of regions. Effective attraction of investments and their rational and targeted use are one of the most effective tools for ensuring the stable and high-quality development of the state economy and are an important factor in advancing economic development to a new level.

This perspective is about investment and innovation at the enterprise level

Although it clearly expresses the qualitative relationship between investment and innovation activities, it superficially shows the impact of investment and innovation activities on the development of regions. At the same time, the multiplicative economic effect, which is manifested in increasing production efficiency and ensuring product competitiveness, represents the specific features of such projects. A deep and conceptual approach to the essence and significance of investment and innovation development was put forward by I. Grishchenko, N. Bileska and L. Klividenko, who evaluate it as the most effective tool for systemic changes necessary to overcome economic crises.

In this regard, our local scientists have also deeply studied issues related to the innovation and investment environment, the theoretical and practical significance of investments, and financial support mechanisms. For example, Sh. Fayziev, in his article “Methods of assessing entrepreneurship from an innovative and investment perspective”, emphasizes the need for an accurate assessment of the innovation and investment potential of business entities.

According to her, assessing innovation potential and investment potential together, through complex indicators, ratings and expert assessments, can have a positive impact on the pace of entrepreneurship development.

M.Ishimova, in her study on “Ways of effective use of the tax mechanism in the innovative development of the economy”, reveals the impact of tax policy on innovation and investment processes. According to her, tax incentives, preferences and a simplified tax system encourage innovation and small and medium-sized businesses to invest in new technologies, which contributes to overall economic growth.

O.O.Eshko'ziyev, in his article “Evolution of scientific and theoretical approaches and views on corporate investments”, notes that the concept of investment has evolved over time

It emphasizes that over time, expanding, it began to be considered not only as financial resources, but also as a means of strategic development. However, it provides information on the types of financial support mechanisms and their practical aspects, including investor, credit, internal financial resources and state cash assistance.

The interrelationship between investment and innovation projects and regional development costs shows that the activation and stimulation of the development of scientific and technical progress makes it possible to overcome the processes of instability in the economy more quickly and with minimal damage.

In our opinion, in conditions of systemic changes, elements of investment and innovation development mean innovations in the process of restructuring production and management systems, aimed at

increasing production and technical potential (through modernization, technical re-equipment, reconstruction) and improving organizational and economic relations (through reengineering, reorganization of business processes).

In the part of the scientific research devoted directly to the problems of regional development management, it is indicated that the purpose of investment and innovative development is to increase the investment attractiveness of regions and expand the innovative activity of business entities.

The main prospects of investment and innovative development are aimed at eliminating such negative trends as a low share of competitive products in commodity markets with stable demand, low efficiency of investment resources in local products and services, and high investment risks.

Having deeply studied the theoretical and organizational aspects of the innovative development of the local economy, Yu. Zhuravel pays special attention to the issues of its financial support. According to the author, investment resources for the innovative development of the national economy can be provided through various financial mechanisms

Investment resources for innovative development should be effectively collected from various financial mechanisms - self-financing, equity, state budget, debt funds, venture investments, leasing, foreign loans and foreign investments. At the same time, he emphasizes that the process of innovative development begins when progressive changes are implemented in society. It is recognized that the main directions of such changes are transformations in the structure of the economy, the formation of an effective institutional structure and the development of an optimal institutional environment.

The issue of financial support for innovative activities has also been widely studied by local researchers. In particular, M.S.Ashurov emphasizes that internal and external sources such as the state budget, credit, venture capital play an important role in financing innovative activities, and for their effective use, it is necessary to improve the legal framework.

M.Ishimova, on the other hand, considers tax incentives and preferences as the main financial incentive for innovative activities, emphasizing that targeted reforms in tax policy are an important factor in attracting domestic and foreign investments.

Also, Z.Shamansurova pays special attention to the effectiveness of using financial sources such as investors, the state budget, foreign funds, venture capital, grants and loans in the implementation of innovative projects. In her opinion, for the effective implementation of these mechanisms, it is important to reduce risks and improve the business environment.

In another study, A.Ergashev and U.Rasulov examined the effectiveness of financial support for local small businesses through the use of state subsidies, digital tools and grants in ensuring innovative development

They justify the need to strengthen their mechanisms.

Conclusion

Based on the above considerations, it should be noted that the development of various mechanisms of financial support for ensuring the innovative development of the local economy and their effective implementation in practice are of particular importance.

Summarizing the above, it becomes clear that the essence of investment-innovation added value is a deep study of the main interests and areas of activity of macroeconomic entities. These processes are aimed at the development of households, economic entities and economic infrastructure, which allows for the formation of a favorable external environment for the innovative activities of enterprises and the organization of its effective financing, as well as the effective use of resource potential through the coordination of these processes.

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