

IMPROVEMENT OF MECHANISMS FOR ATTRACTING INNOVATIVE INVESTMENTS IN THE DEVELOPMENT OF REGIONAL ECONOMY**Ismatov Fazliddin Ibodovich**

Lecturer, Department of Economics

Asian International University

Abstract. This article analyzes the theoretical and practical aspects of attracting innovative investments in the process of regional economic modernization. The classification of investment activities based on various criteria is examined, highlighting their economic, social, and environmental dimensions. In addition, the role of investments at macro, meso, and micro levels is analyzed, emphasizing their significance in regional development.

Keywords: regional economy, investment, innovative development, economic growth, investment policy, regional development, sustainable development, intellectual capital.

INTRODUCTION. In the context of modern globalization, ensuring the sustainable development of regional economies and enhancing their competitiveness has become one of the most pressing issues. Investments play a crucial role in implementing deep structural changes in the economy, modernizing production processes, and expanding innovative activities. Therefore, effective organization of investment processes and their orientation toward innovative directions are considered priority tasks of economic policy.

Currently, investment activity serves not only as a driver of economic growth but also as an important factor in improving social welfare, creating new jobs, and maintaining environmental balance. Hence, the need to systematically classify investments based on various criteria and to thoroughly analyze their impact on regional development is increasing.

The main objective of this article is to analyze the theoretical foundations of attracting innovative investments in the process of regional economic modernization and to determine their importance in regional development.

MAIN PART . Evaluation of investment activity should not be limited only to the volume of capital investments. It is necessary to conduct a comprehensive analysis considering their direction, sectoral distribution, composition of subjects, risk level, and territorial coverage. In modern economic conditions, classifying investments based on different criteria allows for a deeper understanding of their role in the economic system.

From a territorial perspective, investments can be divided into domestic and foreign types, which helps identify differences between national and international capital flows. At the same time, dividing investment flows into real and financial categories allows assessing their impact on both the production sector and financial markets.

From the perspective of implementation areas, investments are classified into economic, social, and environmental directions. This approach makes it possible to evaluate not only economic efficiency but also the contribution of investments to social welfare and environmental sustainability.

In modern economic development, social investments contribute to the development of human capital, expansion of digital infrastructure, and ensuring inclusive growth. In particular, such areas as smart cities, e-government, distance education, and telemedicine are becoming important components of this type of investment.

Economic investments are mainly aimed at technological modernization, digitalization of production, and creation of high value-added products, developing on the basis of Industry 4.0 technologies. This contributes to increasing labor productivity and reducing production costs.

Environmental investments are directed toward environmental protection, improving energy efficiency, and developing renewable energy sources within the framework of the green

economy concept. Such investments are considered a key factor in ensuring long-term sustainable economic growth.

Financial investments, under modern economic conditions, play an important role as instruments for financing innovative projects through stock markets, venture capital, private investment funds, and financial technologies (FinTech). Their significance is especially increasing in supporting and developing startup ecosystems.

Intellectual investments are regarded as one of the most strategic types of investment within the framework of a knowledge-based economy. They are aimed at research and development, patents, know-how, startup initiatives, and human capital development. These investments serve as a key driver of long-term innovative economic growth. Although they may not generate immediate financial returns, they play a crucial role in enhancing economic competitiveness and ensuring technological independence.

Real investments are directed toward production assets, fixed capital, and infrastructure development. They play a vital role in expanding business activities, creating new production capacities, and ensuring economic growth. Particularly, investments in industry, construction, and transport sectors form the backbone of regional economic development.

Social investments are aimed at improving education, healthcare, employment, and overall living standards. They contribute to long-term economic growth through the development of human capital and modernization of social infrastructure.

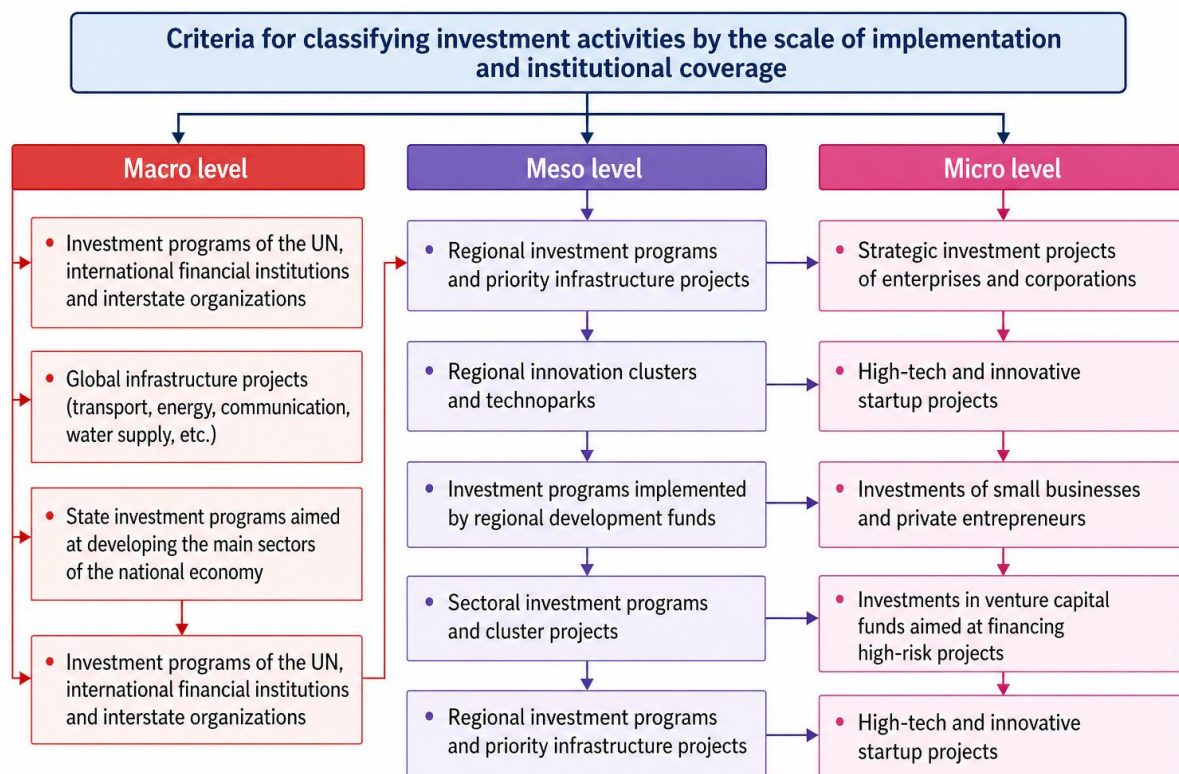


Figure 1. Expanded model of classification of investment activities at macro, meso, and micro levels

The figure illustrates a systematic classification of investment activities based on their scale and institutional coverage. This model reveals the multi-level nature of investment processes and enables comprehensive analysis from strategic planning to practical implementation. At the macro level, investment activities are considered at the global and interstate levels, involving international organizations such as the UN, financial institutions, and integration structures. These investments are mainly directed toward large infrastructure projects such as energy, transport, and communication, ensuring long-term economic growth.

At the meso level, investments are implemented at regional and sectoral levels through regional programs, infrastructure projects, innovation clusters, and technoparks. These investments enhance regional potential, promote cooperation, and stimulate innovation.

CONCLUSION. In conclusion, investment activity plays a crucial role in the sustainable development and modernization of regional economies. The study analyzed various types of investments and their impact on the economic system. It was found that real, financial, intellectual, innovative, and environmental investments serve as key drivers of regional development. Moreover, the implementation of investment activities at macro, meso, and micro levels demonstrates the interconnectedness of economic processes and forms a comprehensive mechanism for regional development. In particular, meso-level investments play an important role in enhancing regional potential and integrating production with innovation.

In modern conditions, attracting investments in innovative and digital sectors, developing startup ecosystems, and modernizing infrastructure are key priorities for increasing the competitiveness of regional economies. At the same time, promoting green and social investments contributes to sustainable economic growth and social well-being.

Overall, improving investment policy, enhancing the investment climate, and supporting innovative projects are essential for ensuring long-term sustainable development of regional economies.

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