iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 10 **Issue:** X **Month of publication:** October 2022

DOI: https://doi.org/10.22214/ijraset.2022.47123

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International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538
Volume 10 Issue X Oct 2022- Available at www.ijraset.com

The Role of Investment Policy in the Innovative Development of Agriculture of the Republic of Uzbekistan

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Annotation: The article describes the role of agriculture in the national economy of the Republic of Uzbekistan, the socio-economic results of reforms for its development. The situation with investments in agriculture and the use of investment potential of the agricultural sector was also studied. Scientifically based proposals and practical recommendations on promising areas for attracting investment in the agricultural sector are outlined.
Keywords: modernization, investment, long-term strategy, investment programs, gross agricultural output, econometric model, profitability.

I. INTRODUCTION

Along with being one of the leading sectors in the national economy of Uzbekistan, this sector is one of the sectors with great potential to ensure the country's export potential and increase its global competitiveness in the future. Realization of these opportunities in the future requires modernization of production in the industry, reforms on the path of intensive development aimed at the production of low-cost environmentally friendly products. At the same time, it is important to attract high domestic and foreign investment in the industry, to produce high value-added products by attracting investment ineffective projects.

Over the past short historical period, the country, like all sectors, has made great strides in attracting and effectively using domestic and foreign investment in agriculture. To this end, investment programs are being developed and implemented in the country. In this regard, the Decree "On measures to protect the rights and legitimate interests of farmers, farms, and landowners, radically improve the system of efficient use of agricultural land" and "Further development of the activities of farmers, farms and landowners" The resolution "On organizational measures" serves as an important guideline. Decree of the President of the Republic of Uzbekistan No. PF-5853 of October 23, 2019 "On approval of the Strategy of agricultural development of the Republic of Uzbekistan for 2020-2030", Decree of the President of the Republic of Uzbekistan dated April 28, 2020, Following the Resolution No. PQ-4699 "On measures" and Decree No. PF-6079 of October 5, 2020 "On approval of the Strategy" Digital Uzbekistan - 2030 "and measures for its effective implementation" and attracting investments in agricultural development, the introduction of resource-saving technologies and product manufacturer Certain work is being done to provide passengers with modern equipment.

It is known that in 2020, compared to 2019, the production of agricultural products in Uzbekistan increased by 103.0%. In particular, the share of the value created in this sector in GDP increased from 25% in 2019 to 26.1% by 2020. Although the share of agriculture in the service sector and industrial production, in general, is low, the accumulated economic, natural resources, and human resources in this sector can create opportunities for consistent economic growth and strengthening macroeconomic stability in the future through the development of the sector. The above situation requires the identification of opportunities to attract active investment in the sector through a comprehensive study of the current weaknesses of the agricultural economy.

II. ANALYSIS OF THE RELEVANT LITERATURE

The dialectical relationship of the impact of investment on economic growth has been studied by several economists. In particular, J. R., a follower of Keynes. Harrod forbade the marginal value of capital in national income, the effect of the share of savings on economic growth. As a result, the dynamic development of the economy is observed under the conditions of a constant accumulation rate and a stable coefficient of capital capacity. E.. Domar, S. Kuznets, F. Economists such as Peru have focused on the capital capacity ratio in their scientific papers. E.. Domar introduced a coefficient of return on investment, which characterizes the return on capital investment. They also argued that innovative development as a key factor of competitiveness is the result of increased investment activity at the expense of internal and external funds, which is a measure of the effectiveness of investment policy.

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The impact of increasing investment activity in agriculture on economic development and the scientific and theoretical basis for assessing investment attractiveness are presented in the research of PS Osmolovskaya. O.P. also addressed issues related to production risk management in the agricultural sector. Neifeld found expression in his research. I.A. on improving the economic efficiency of agricultural production based on the improvement of the financial mechanism. Bondin. Innovative methods of intensive production of agricultural products and scientific aspects of increasing the efficiency of investment activities M.S. Systematized in Orekhova studies. Economist S.R. Umarov focused on investments in agriculture and systematized them as all kinds of material, technical and intellectual wealth spent by the investor for a certain period to develop the agricultural sector to obtain future profits or social benefits.

III. RESULT AND DISCUSSION

The development of investment policy in the context of innovative development in the agro-industrial complex of the country, its development trends are one of the main factors in the national economy and economic development of the region, increasing its competitiveness. This is because the agro-industrial complex, firstly, has an important social significance in terms of growing primary goods for human needs, and secondly, it also includes important factors in realizing the high potential for strengthening competitiveness in agriculture at the global level. Third, investing in the innovative development of these agro-industrial sectors will ensure a high multiplier effect on economic development through growth rates in the sector, which is a driver characteristic of the national economy. Because the main activity of the agro-industrial complex is the development and processing of agricultural products, the role of this sector in the national economy is reflected in the following table.

Table 1. Composition of the gross domestic product of the Republic of Uzbekistan by types of economic activity (as a percentage of total)

Indicators / years	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. 1. GDP, total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
1.1. 1.1. Gross value added of networks	88,8	89,6	90,2	90,9	91,2	89,0	89,3	91,5	92,6
1.2. 1.2. Net taxes on products	11,2	10,4	9,8	9,1	8,8	11,0	10,7	8,5	7,4
II. Gross value added of networks	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2.1. Agriculture, forestry and fisheries	32,6	31,0	31,8	32,1	32,1	32,2	30,0	26,9	27,1
2.2. Industry (Along with Construction)	23,0	23,8	24,5	24,8	25,1	26,5	31,1	34,4	34,1
2.3. Services sector	44,4	45,2	43,7	43,1	42,8	41,4	38,9	38,7	38,8

Source: Uzbekistan Statistical Department, 2020.

As can be seen from the table, the gross value added of the sectors increased from 88.8% in 2012 to 92.6% by 2020. Net taxes on products by 2020 were 7.4 5. Analyzing this trend in terms of the share of value-added in the sectors, the gross value added in the agricultural, forestry, and fisheries sector in 2012 included a downward trend of 32.6% and in 2020 with a share of 27.1%.

However, given the huge potential of the country in the production of agricultural products, the share of gross value added in agriculture, forestry, and fisheries requires deepening reforms to ensure innovative development by attracting investment in the sector and further increase its contribution to the country's economy. We know that the economic potential of all regions of the Republic, the sectoral structure of economic development differ from each other. Therefore, in the investment policy aimed at ensuring future innovative development, the country's sustainable economic development trend needs to pursue a selective investment policy based on the existing economic potential and the ratio of sectors in each region.

Table 2. Composition of gross regional product in Kashkadarya region by type of economic activity (as a percentage of total)

Indicators/years	2012	2013	2014	2015	2016	2017	2018	2019	2020
1. GDP, total	100	100	100	100	100	100	100	100	100
1.1. Gross value added of networks	94,4	94,3	94,4	94,3	95,9	94,9	94,2	91,9	96,3
1.2. Tax	5,6	5,7	5,6	5,7	4,1	5,1	5,8	8,1	3,7

Source: Uzbekistan Statistical Department, 2020.

For example, in the case of the Kashkadarya region, the gross value added of GRP in 2012-2020 fluctuated between 91.9 and 96.3%. In the general context, there was a decrease in net taxes on products, which amounted to 5.6% in 2012 and 3.7% in GRP in the trend of chaotic fluctuations by 2020. This situation is also indicative of the declining size of the state financial resources fund as the gap between taxes and government subsidies in the region's economy. This trend was partly due to the sustainable development of the region's economy and systemic reforms to ensure proper, economically viable investment in it. One of the peculiarities of the economy of the Kashkadarya region is its economic potential in all sectors compared to other regions of the country. In particular, in terms of natural geographical location, there are great opportunities for agricultural development in this region. The overall prospects for the development of the agricultural sector depend on the investment potential of consumers and the feasibility of investment - investment risk. The level of investment risk indicates the probability of losing investments and their returns. In particular, the share of agriculture, forestry, and fisheries in the gross value added created by industries in the region in 2012 was 35.2%, while in 202017 it was the highest figure in the analyzed period - 44.7%. By 2020, this figure will be 41.9%. In the context of overall GRP growth, the steady growth of gross value added in the agriculture, forestry, and fisheries indicates that the sector has enormous potential in the economy of the region under analysis.

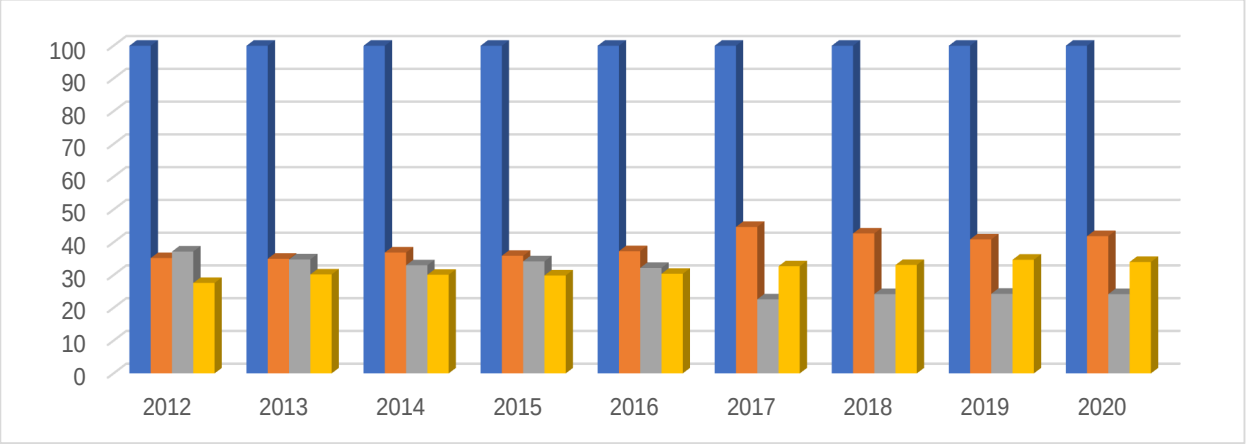


Figure 1. Composition and dynamics of gross value added of industries in Kashkadarya region

Source: Uzbekistan Statistical Department, 2020.

At the same time, the socio-economic development of the agricultural sector, increasing the efficiency of production, efficient use of available resources, increasing investment activity in agriculture play an important role in increasing high-quality products. Increasing investment activity is a fundamental principle of direct investment and fiscalization of investment incentives by types of activities of agricultural producers through the application of measures to achieve specific goals, to reconcile goals, to maintain coordination, to maintain the current value of investments, to manage the effective implementation of the project. financial and other forms.

Regulation of increasing investment activity in agriculture is carried out through the following measures:

1) Encourage the provision of capital to industries, sectors, and individual farms through credit and tax incentives in agriculture;

2) State support of investment processes for the full operation of rural production facilities, etc.

Application of investment incentives to increase investment activity in the agricultural sector Involvement of private and foreign investors in this process without negatively affecting their material interests, improving land reclamation, rehabilitation and development of water infrastructure, the introduction of new agro-technologies, domestic and the conditions created for foreign investors should not allow sharp differences and the benefits provided should fully satisfy the participants of the economic process. After the independence of our country, several changes have taken place in the activity of investment in innovative projects in agriculture. It is known that one of the vital needs of the development of any industry is to constantly attract these investments and increase investment attractiveness. Because investment, especially foreign investment, is one of the important financial and economic factors in the modernization of production in each sector, the widespread introduction of innovative technologies.

Innovative and investment activities in agricultural production require long-term investments and large expenditures for the formation and modernization of the material and technical base based on innovation, as well as the development of the intellectual

property. Innovative potential, despite its scientific and technical significance, cannot be realized without investment. In a modern market economy, there is no doubt about the need to invest in ensuring the sustainable development of the agricultural sector. This is because, in the current situation, the cultivation and processing of agricultural products are not as intensive as in other sectors. The level of armament with fixed assets is based on equipment and technologies that have been in operation for more than 20 years. In addition, in the case of armed with fixed assets that require high energy capacity, the cost of production is a high factor and is a major factor influencing the profitability of existing businesses.

As a result, the agricultural sector is unable to participate as an equal economic agent in inter-sectoral competition due to the nature of the activity, which reduces its competitiveness compared to other sectors of the economy and creates opportunities for self-financing in market conditions. The need to increase investment activity in agriculture is to ensure sustainable development based on the restoration of agricultural potential, taking into account the specifics of its activities. The solution to the problem involves a comprehensive analysis of the relationship between the economic efficiency of the investment process and the dynamics of agricultural activity.

IV. CONCLUSIONS AND SUGGESTIONS

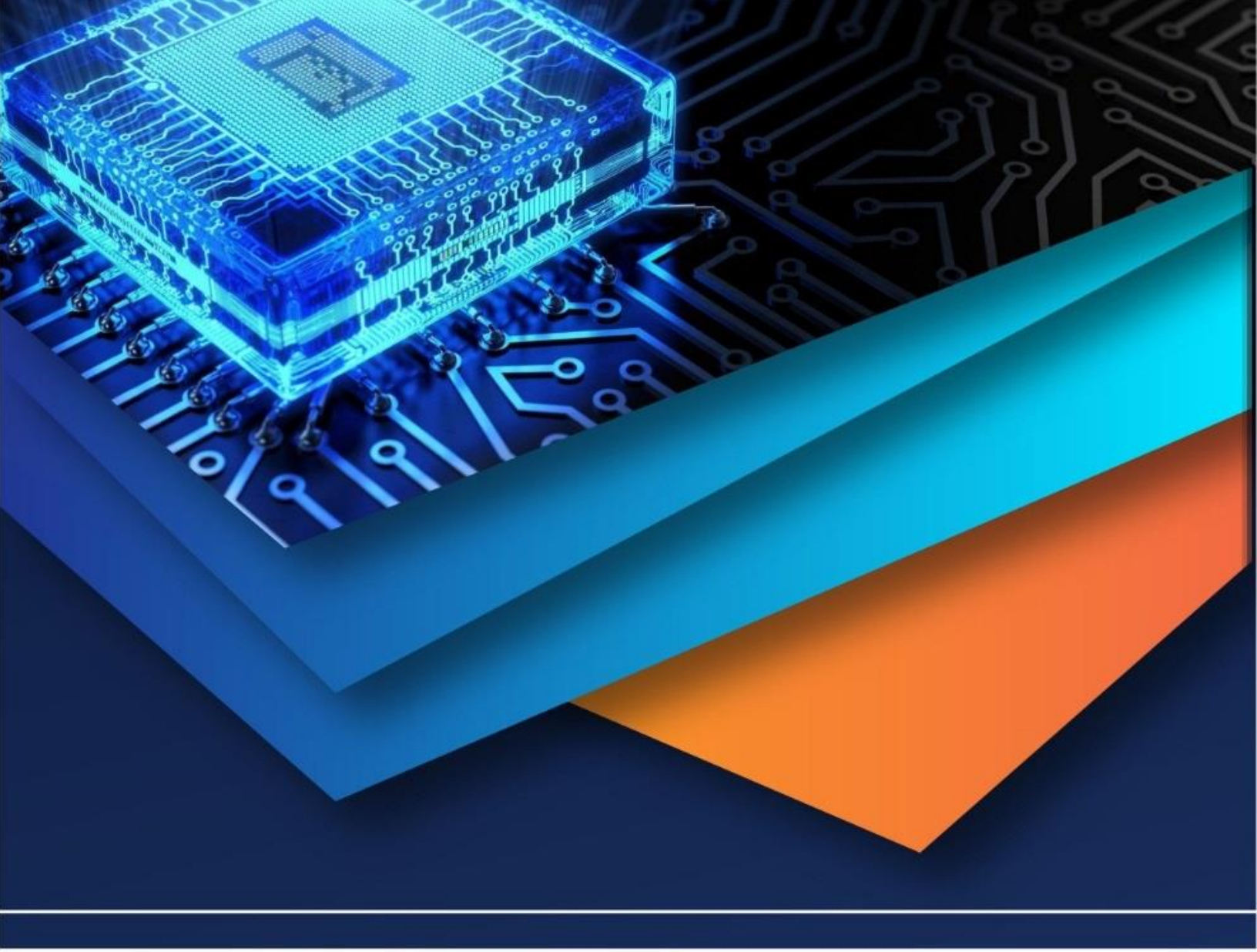
The strategy of agricultural development in the investment activities of the regions should focus on: If the level and specialization of agricultural production within the regions are not fully taken into account in attracting investment in agriculture, it will be difficult to achieve efficient indirect investment activity of farms at the micro-level. This is because agriculture is characterized by diversity, natural and economic conditions, location, specialization, and social conditions. In this regard, the Kashkadarya region has a great potential to ensure regional economic growth by attracting investment in agriculture compared to other regions. However, obstacles to transforming agriculture into a competitive one, as well as one that serves the interests of the private sector, the population, and the state, need to be removed. To this end, it is expedient to deepen the reforms in the following areas:

1) It is necessary to balance the use of agricultural lands;
2) It is necessary to increase the productivity of agricultural products;
3) It is necessary to make maximum use of export opportunities for agricultural development;
4) It is necessary to increase the efficiency of the use of budget funds to finance agriculture;
5) It is necessary to protect the land ownership rights of farms.

This, in turn, increases the efficiency of investment in the agricultural economy and the improvement of the scientific approach to the issues of proper distribution, which determines the relevance of the chosen topic.

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