

GOVERNMENT SUPPORT OF INVESTMENT ACTIVITIES IN THE SUSTAINABLE DEVELOPMENT OF AGRICULTURE

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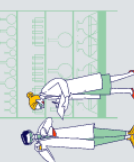
Abstract

This study provides a scientific analysis of state support mechanisms for investment activities aimed at ensuring the sustainable development of agriculture. In particular, it highlights the importance of attracting investments to the agricultural sector and their role in promoting economic growth, ensuring food security, and increasing employment. The paper also evaluates the effectiveness of financial, institutional, and organizational measures implemented by the state, including tax incentives, subsidies, and crediting systems. Based on the research findings, practical recommendations are developed to improve the investment climate in agriculture, introduce innovative technologies, and enhance the efficient use of resources.

Keywords: Agriculture, sustainable development, investment, state support, agricultural sector, investment activity, subsidies, crediting, innovation, food security, economic growth, resource efficiency.

Introduction

Investment is considered an important tool in ensuring sustainable economic growth rates in Uzbekistan, in the active socio-economic development of the agricultural sector, and in diversifying the sector, as “the locomotive of the transformation of our country and a strong driver of our economic development”[1]. In particular, among the priority areas for implementing the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030, one of the important tasks is “to increase the flow of private investment capital to support the modernization, diversification, and sustainable growth of the agricultural and food sector, to introduce mechanisms to reduce state participation in the sector, and to increase investment attractiveness.”[2] In order to ensure the implementation of these tasks, researching the stimulating and hindering factors of investments in the country's agriculture, determining the priorities of the sectors that determine the economic "growth points" of regional agriculture, and proposing, justifying practical recommendations on the mechanisms for increasing the efficiency of investment attraction, developing a forecast of gross regional agricultural product and investment flow indicators are among the current issues.



Literature review

For agriculture, unlike other sectors, a greater role of natural (climate, soil, biological) factors is characteristic, both in general instability and in their differentiation in individual regions[3]. It is these natural factors that form the basis of the system of factors of sustainable development of agriculture, since, in particular, the main reason for fluctuations in yields is the change in weather conditions[4]. Most of these factors are less variable and conservative. Since in modern conditions many of these natural factors are not subject to human control, farm systems are often adapted to them. Of the natural factors that have the most negative impact on the sustainable development of agriculture, drought is the most negative.

In our opinion, as a strategic direction for the development of agriculture, it is necessary to maximize the use of natural and biological factors of agricultural crops and livestock productivity.

First of all, it should be noted that the word "investment" comes from the Latin word "investire" - to clothe (Russian: "облачать"). Within the framework of the centrally planned economy of the former Soviet Union, the concept of "capital investments" was more widespread, meaning expenditures aimed at the reproduction, increase, and improvement of fixed assets[5]. With the beginning of market reforms in Uzbekistan, views on the content of the category of "investments" changed, and first of all, this change was reflected in the legislation. Now investments are among the most popular and important expressions in theory and practice.

Professor N. Khaidarov defined "investments" as follows: "Investment is the spending of financial, material and intellectual assets at the disposal of individuals and legal entities operating on an entrepreneurial basis, regardless of the form of ownership, or the state, in any business object within the framework of the law, in order to obtain economic and social benefits."[6]

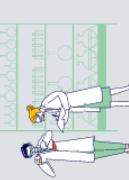
A.V. Vakhobov, Sh.Kh. Khodzhibakiev, A.G. Muminov have covered in detail the problems of foreign investment, all aspects of their attraction and effective use[7].

Uzbek economists D. Gazibekov and T. Koraliev define "Investments are all types of property and intellectual assets that bring income (profit) or social benefits and are attracted (spent) in entrepreneurial and business activities that are not prohibited by the state." Professor Sh. Shodmonov defines investments as follows: "Investments are the monetary expression of expenditures made to restore and strengthen fixed and working capital, to expand production capacities. They are made in the form of money, bank loans, shares and other securities"[8].

S. Umarov defines the concept of investments as follows: "Investments are all types of material, technical and intellectual assets spent by an investor for a certain period of time to develop agricultural sectors in order to obtain future profit or social benefits"[9].

According to B. Abdukarimov, A. Zhabriev, M. Pardaev: "Investments are investments in financial (money) or real capital. They are made in the form of money, credit, securities and are invested in movable and immovable property, intellectual property, rights to benefits and other valuables, that is, they are used for all assets of the enterprise"[10].

Foreign economist Nikolay Zhuga (Ukraine) emphasized the importance of investing in sustainable agricultural development to ensure food security, sustainable development, and



reduce inequality among the population. Economists Amartya Sen and Jeffrey Sachs[11] also emphasized in their works the investments that need to be made in agriculture to achieve sustainable development goals and combat poverty.

According to Academician L.I. Abalkin, investments play a key role in ensuring the stability of the country's economic development, with investments accounting for about 45 percent of GDP growth, while external economic factors account for only 4 percent of GDP growth.[12] Investments ensure the fulfillment of the law of increasing needs, as they lead to an increase in production volumes and a more complete satisfaction of existing needs of people, as well as the formation of new needs. Investments can solve social problems of society, since the growth of investments simultaneously leads to the creation of more favorable conditions for the formation and development of human capital, and to a more complete implementation of the principle of social justice. Investments also make it possible to solve environmental problems, since they create conditions for the introduction into production of new technologies and goods that have less negative consequences for the environment and require fewer material resources for production.

Research methodology

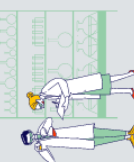
The scientific and theoretical basis of this article is economic literature and scientific articles, research by foreign and domestic economists on investment activities, attracting investments to the country's regions and their effective use, analysis of their written and oral opinions, observation of economic processes, a systematic approach to economic phenomena and processes, and a comparative analysis with the author's experience, resulting in conclusions, proposals and recommendations in relevant areas. In the process of studying the topic, economic, logical, scientific abstraction, comparative analysis, dynamic study, induction, deduction and other methods were used.

Analysis and results

As we all know, investments are the main factor contributing to the development of production, its sustainability and economic efficiency. The development and expansion of agricultural production in line with modern requirements, that is, technological and technical re-equipment for the purpose of simple and expanded reproduction, depends on investment activity in the production of the sector.

After the Republic of Uzbekistan gained independence, the state policy for the development of the agrarian sector was revised. The main directions of the sector are being gradually improved based on the requirements of market relations, proceeding from strategic goals. After all, the strategic directions of the policy of transition from centralized planning and administrative-command to market relations require a certain period of time to radically reform the country's economy and create a favorable socio-economic and investment environment.

In order to select economic entities that can operate effectively and competitively in the conditions of market relations, more than ten forms of them have been tested in the agriculture of our country, and currently dekhkan and farm farms have been selected as promising. The



main criteria for these forms of economic management are ownership of land, property, produced products and income received, and freedom in their use. It should be noted that these criteria fully comply with the requirements of market relations.

Table 1. The structure of capital investments in Andijan region and republican territories in 2024 by sources of financing.

№	Territories	Total investments, billion soum	including on the sources of investments (as a percentage of the total volume)						
			Republic budget	enterprises and organizations	the population	foreign investments and loans	Water supply and sewerage. knee development fund	Recovery and Development Fund	commercial bank loans
1	2	3	4	5	6	7	8	9	10
1	Republic of Uzbekistan	269 857,5	7,8	31,3	9,5	41,6	1,1	0,9	7,8
2	Republic of Karakalpakstan	10 099,8	12,7	28,1	11,9	38,9	1,4	1,7	5,3
3	Andijan region	14 758,6	7,6	23,9	12,2	47,1	2,5	0,0	6,7
4	Bukhara region	21 138,0	4,8	21,6	11,1	56,8	0,6	0,0	5,1
5	Jizzakh region	10 763,1	9,7	23,7	6,0	44,5	1,5	0,0	14,6
6	Kashkadarya region	16 181,5	9,1	23,6	14,8	46,5	2,0	0,2	3,8
7	Navoi region	19 396,1	3,6	30,7	9,9	54,9	0,3	0,0	0,6
8	Namangan region	14 348,2	6,1	19,8	16,3	34,3	1,1	0,0	22,4
9	Samarkand region	21 955,2	9,1	26,6	7,4	43,7	0,7	0,0	12,5
10	Surkhandarya region	11 507,3	12,1	15,0	16,3	43,1	5,7	0,0	7,8
11	Syrdarya region	12 574,7	5,5	10,7	1,8	77,5	0,5	0,0	4,0
12	Tashkent region	34 954,7	6,0	39,3	8,0	32,9	0,5	5,4	7,9
13	Fergana region	15 396,7	7,2	21,4	17,2	46,1	2,3	0,0	5,8
14	Khorezm region	8 806,6	9,3	25,6	24,0	30,7	1,2	1,2	8,0
15	Tashkent city	57 977,0	8,2	52,1	3,2	28,0	0,0	0,5	8,0

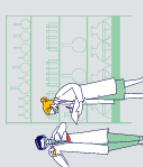
In Andijan region, the volume of investments in fixed capital in 2024 amounted to 14758.6 billion soums. This indicator is the 8th indicator in the republic. The first three are Tashkent city (57977 billion soums) and the region, Samarkand region. The reason for this is that the above-mentioned large investment projects fall precisely in these regions. The smallest volume of investments was recorded in Khorezm region - 8806.6 billion soums. If we pay attention to the sources of investment in Andijan region, the largest number of investments was made at the expense of foreign investments and loans, as well as at the expense of enterprises' own funds. In our opinion, the fact that investments are made mainly at the expense of foreign sources is a positive point. We will consider where these funds were spent below.

Conclusion

In conclusion, it should be noted that, based on an econometric model of factors affecting the use of investments in sustainable agricultural development, forecast indicators for increasing the volume of investments until 2030 have been developed. This forecast shows that in the future the labor force and arable land will decrease. In such conditions, we can achieve sustainable development of agriculture by increasing labor productivity and increasing yields, and diversifying crops. In our opinion, in order to increase labor productivity, it is necessary to direct investments to "smart" agriculture, and to increase yields, it is necessary to additionally finance the seed production system and livestock farms. In order to prevent a further decrease in arable land, it is necessary to seriously control the reduction of irrigated agricultural land.

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