METHODOLOGICAL APPROACHES TO DIAGNOSING INVESTMENT ACTIVITY IN THE REGION

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Abstract: This article analyzes the methodological approaches to diagnosing investment activity in the region. It examines the impact of increasing investment activity on the sustainable economic development of regions, existing problems, and measures for their resolution. Additionally, the social, economic, and environmental efficiency of the investment process is analyzed, and key directions for improving the investment climate in the regional economy are proposed.

Keywords: approach, investment activity, regional economy, sustainable development, economic efficiency, social efficiency, environmental environment.

Introduction. Nowadays, due to the decentralization of state governance, the economic significance of regions is increasing. Ensuring stable economic growth at the national level and reducing regional disparities can be achieved by attracting investment resources. Therefore, activating investment activities at the regional level is a pressing issue.

The low investment activity in Uzbekistan's regions is associated with several problems. Factors such as corruption and bureaucracy, a high level of the shadow economy, inefficiencies in the judicial system and fiscal policy, weak investor guarantees, and infrastructure deficiencies negatively impact the investment environment. Eliminating these negative factors is one of the key conditions for enhancing economic stability and stimulating investment activity in the region.

Main Section. In recent years, various approaches to developing investment activities have been emerging. At the international level, there is a trend toward shaping investment policies in line with sustainable development goals. According to L. Fedulov, the activation of social and environmental investments is observed globally. Similarly, Yu. Makogon links investment activity with ecology, economic modernization, and the development of social programs. O.V. Chernikova emphasizes that the more active the investment process, the faster economic development takes place.

Research in regional economics confirms that investments positively impact long-term economic stability. Improving the investment climate requires the state to implement various tax incentives, subsidies, and infrastructure projects. This serves as a crucial component of economic policy, ensuring sustainable economic growth at both the national and regional levels.

In economic literature, special attention is given to the concept of "investment activity." I.I. Rayzberg views investment activity as an effective indicator of investment attractiveness and defines it as "the development and intensity of investment activities in a country's region, characterized by the volume and pace of capital investments." Taking a slightly different approach, K. Kojima and T. Osawa associate investment activity with broader investment performance indicators, emphasizing that it reflects the intensity of investment processes, considering the regional economic system's resources and implemented investment opportunities.

In our opinion, investment activity reflects the real state of the investment sector in a region. At the same time, considering the need to stimulate and accelerate investment processes within the region, defining the concept of "investment activity activation" is appropriate.

It is essential to note that this term has not been fully explored in scientific literature concerning regional development. In general, "activation" refers to the process of increasing activity—enhancing engagement, revitalizing processes, shifting to decisive actions, promoting dynamism, and stimulating growth. The term "investment activity activation" can be understood as increasing the intensity of investment-related actions undertaken by individuals, legal entities, and the state.

The activation of investment activities in the region and its participation in integration processes are key aspects of accelerating socio-economic development. In this regard, considering competitive advantages and efficiently utilizing the region's investment potential are crucial when shaping regional policies.

Studies indicate that issues related to investment resource formation, investment activity management at the regional level, and the full operation of regional investment markets have not been fully developed in Uzbekistan, unlike in developed countries. The development of a concept for managing investment attraction in the region should focus on restoring reproductive processes and ensuring the economic self-sufficiency of the regional economic system.

As a result of activating investment activities in the region, a synergistic effect can be achieved by investing in its social, economic, and environmental sectors, thereby ensuring prospects for sustainable development.

At present, investment activities are increasingly viewed from the perspective of meeting the needs of both investors and society as a whole. The primary goal of an investor is to maximize returns from allocated resources, particularly in terms of income. Modern investment theories emphasize efficiency and socially beneficial outcomes. Economically driven investments aim at achieving financial returns from investment activities, measured in value. In addition to profit, the outcomes of economically driven investments include increased production volumes, incentives for modernization, higher market competition, a positive impact on the balance of payments, and the development of investment infrastructure.

Key Factors in Developing the Regional Investment Environment. The following factors play a decisive role in enhancing the regional investment environment:

- Infrastructure development: Improving transportation and communication networks contributes to a better investment climate.
- Legislative stability: Strengthening guarantees and protection mechanisms for investors increases investment inflows.
- Socio-economic factors: The quality of the labor force and labor market flexibility directly affect investment attractiveness.
- Financial incentives: The introduction of tax benefits and subsidy systems for investors promotes investment growth.

We define the activation of investment activities in the region as the targeted influence on investment processes to optimize the allocation of limited investment resources and increase their quantitative and qualitative indicators. The interrelation of concepts in explaining the essence of investment activity activation can be illustrated as shown in Figure 1.2.1.

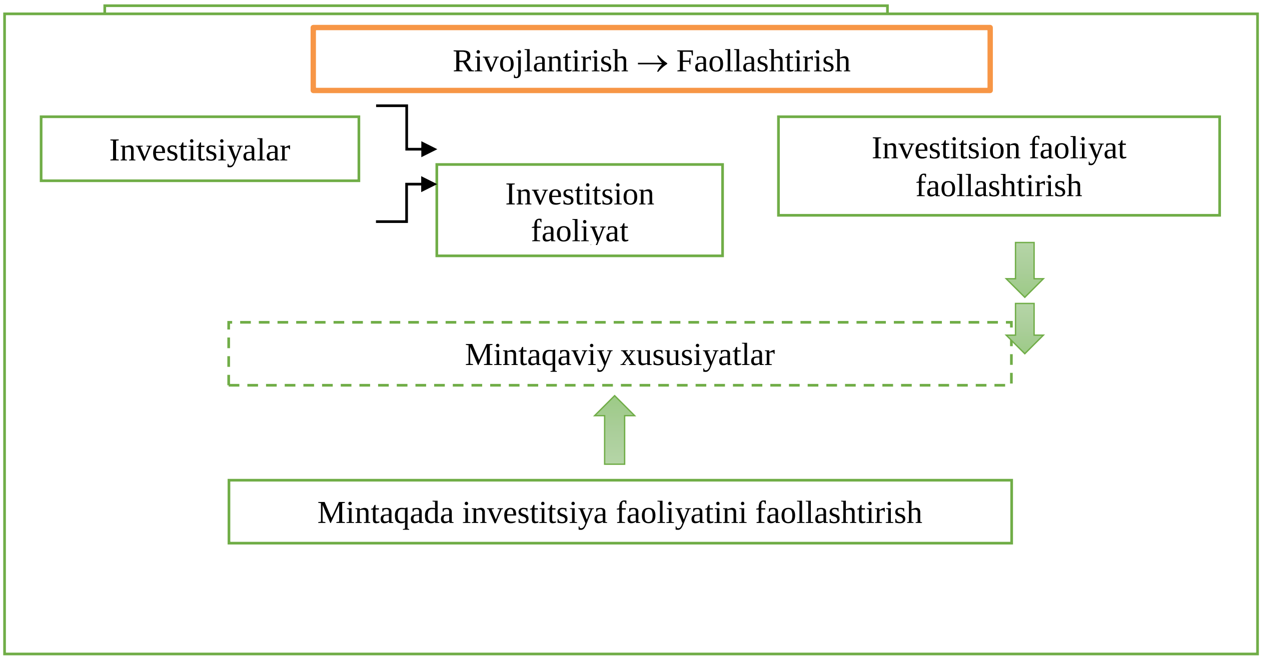

Figure 1.2.1. Interrelation of Concepts in Explaining the Essence of Investment Activity Activation in the Region

The social impact of investment activities is reflected in improving living standards, creating additional jobs, reducing unemployment, enhancing education and cultural levels, implementing democratic rights and freedoms, and increasing national wealth. In our view, social efficiency is an integral part of investment activities and their activation process and should not be overlooked. At the macro and meso levels, the indicator of investment efficiency is its ability to ensure social reproduction processes.

Considering these aspects, we propose a concept for activating investment activities in the region, which differs from previous approaches and is illustrated in Figure 1.2.2.

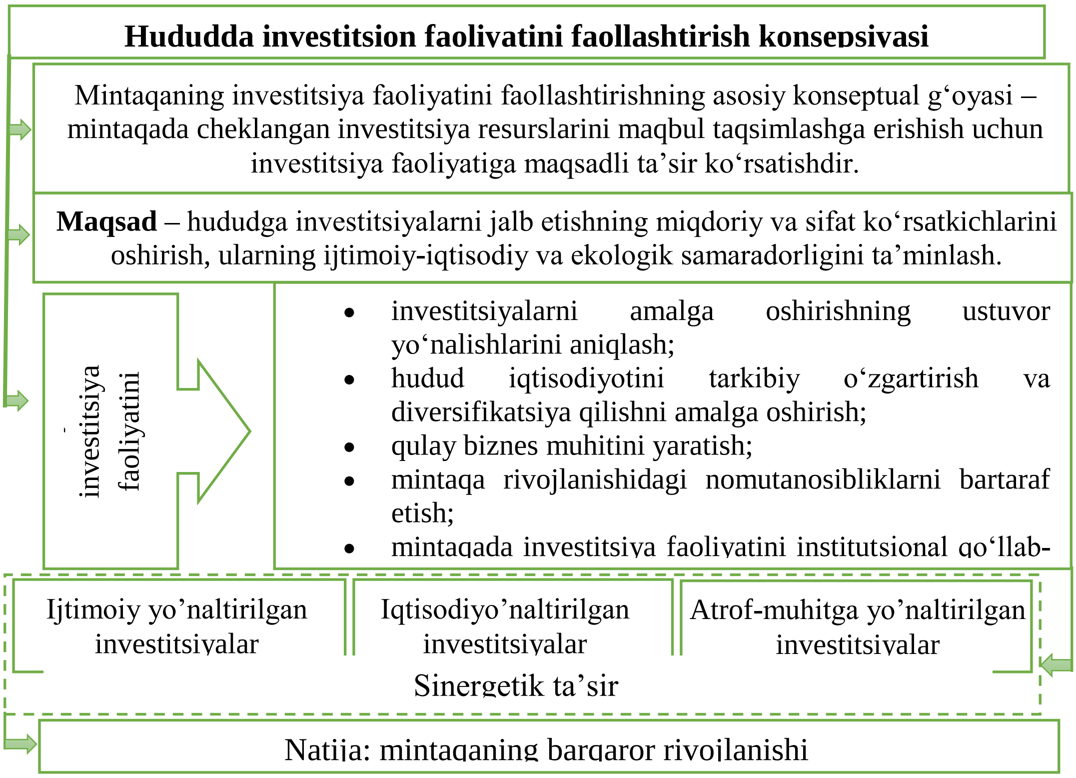

Figure 1.2.2. Concept for Activating Investment Activities in the Region

Expected Outcomes of Investment Activity Activation

As a result of activating investment activities, the following effects can be achieved:

- Economic effects: Increased production volumes, promotion of modernization, and a positive impact on the balance of payments.
- Social effects: Improved living standards, job creation, and reduced unemployment.

- Environmental effects: Reduction of negative environmental impacts and promotion of ecological stability.

Conclusion. Based on the analysis in this paper, the following conclusions can be drawn:

- Activating investment activities in the region is a crucial factor in enhancing economic stability.
- To improve the effectiveness of investment activities, it is necessary to develop infrastructure, ensure legislative stability, and enhance the investment environment.
- In attracting investments, economic, social, and environmental factors must all be considered.
- Strengthening public-private sector partnerships is essential for increasing the effectiveness of regional investment strategies.

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