



Issues Of Increasing The Role Of Investment In Agricultural Development Uzbekistan

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ABSTRACT

This article reveals the importance of agriculture in the development of the country's economy in a market economy and the importance of investment in its development, especially foreign investment. Investments play a fundamental role in the development of industries and regions, as well as the economy of the republic and in achieving success in the socio-economic sphere of the country. Therefore, the ways of creating a favorable investment climate for attracting foreign investment and efficient use of internal reserves are shown.

Keywords:

Modernization, foreign investment, investment climate, business, investment policy, financial resources.

In the context of economic modernization, neglect of investments in the development of agriculture in Uzbekistan had a negative impact for its development. Correctly assessing the situation agriculture, our government has developed a thorough investment policy in this industry. We are all witnesses to that these measures have yielded positive results today. Indeed, today it is advisable for Uzbekistan to rely on international experience in further reforming and liberalizing the country's economy, especially in the development of private sector, intensification of investment activity.

The main reason why Uzbekistan is now one of the largest recipients foreign investment is that all economic, political and legal frameworks and conditions have been created for investors. However it is alarming that the attraction of foreign investors to Uzbekistan, and in particular the volume of investments they make, is not fully meets modern requirements. Therefore, at the next stage of

market reforms, addressing issues of improving the existing system and mechanisms for attracting large foreign investments into our country should be considered as one of the important priorities.

As a result of the decreasing share of state ownership in the economy and the growing role of the private sector, foreign investors are increasingly interested in investing in sectors of the economy, including agriculture. However, despite the limited opportunities, the current investment climate in the country should ensure that domestic and foreign businesses in any case have the opportunity to attract available funds for investment activities and receive income from them. A rational solution to this problem, in turn, requires the identification of priority sectors that are considered effective, the implementation of an optimal investment policy that stimulates domestic and foreign investment, and the creation of a favorable investment climate. Therefore, the development

of scientifically and practically substantiated conclusions and recommendations for increasing the volume of not only domestic, but also foreign investments in the agricultural sector and expanding the possibilities for their effective use remains one of the urgent tasks.

Swedish economist, politician and writer Claes Eklund said that “investment is something that needs to be done tomorrow in order to have better conditions for consumption in the future.” “Some of them are now unused consumer goods, and others are resources for expanding production,” he said.

According to F.S. Tumusov, “investments” are the costs of construction, expansion or reconstruction and technical re-equipment of fixed and working capital.

L. I. Pavlova interprets investment as a process of using all material, labor and financial resources aimed at increasing capital, expanding production, modernization and technical re-equipment. That is, in his opinion, investments are made with the aim of profitable placement of capital.

Economists of our country also defined the concept of investment, one of which states that “Investment is the sum of expenses for all sectors of the economy in the form of long-term investments in all types of property and intellectual property.” This definition of investment emphasizes that investment is a long-term investment.

According to economist N.Kh. Khaidarova, “investment is the use of economic and intellectual assets of individuals and legal entities, regardless of the form of ownership, or of an economic entity within the framework of the law.” Also, economists of our country D. Gozibekov and T.M. Karaliev defines investments as all types of property and intellectual goods that generate income (profit) or public goods and are involved (spent) in entrepreneurial and economic activities that are not prohibited by the state.

In the future, build the material and technical base of agriculture at the required level, increase the knowledge, skills, and experience of labor resources. To improve the efficiency of investments, it is necessary to continue ways to improve the efficiency of

investments. To develop agriculture, first of all, it is necessary to achieve timely receipt of investment funds allocated from state and local budgets.

At the same time, the sector must pay particular attention to ensuring that economic growth generates more funds for future investment in enterprise operations. At the same time, it is necessary to try to use the funds at the disposal of enterprises wisely. Because they are real sources of expanding investment.

To ensure reliable investment (capital investments) in the agro-industrial complex in the future, it is necessary to expand the circle of legal entities and individuals making investments. Such persons may be from the Republic or from foreign countries. In this case, special attention should be paid to attracting investors who are currently involved in the formation of the investment process in the agro-industrial complex.

The current limited number of banks needs to be scaled up. To do this, it is necessary to create legal and economic conditions for them. At the same time, it is necessary to create financial and credit institutions that support the agro-industrial complex, including rural credit unions or cooperatives, and develop their activities. A legal framework has been created for such credit organizations. On April 20, 2022, the President of the Republic of Uzbekistan signed the Law “On non-bank credit institutions and microfinance activities.”

This Law establishes the following rules:

- expansion of sources of financing for the activities of non-bank credit institutions;
- Increasing the accessibility of financial services, including the creation of a legal framework for the provision of Islamic financial services by microfinance organizations;
- Establish the possibility of testing new financial services in a “regulatory test environment”;
- reduction of the regulatory burden as a result of the application of proportional regulation of the activities of non-bank credit institutions;
- Improving the system of protecting consumer rights from the services of non-bank credit institutions.

On this basis, it is possible to increase the flow of investment into the agro-industrial complex through the creation and development of rural credit unions or cooperatives. They prefer to be a non-profit, not-for-profit lending institution. Therefore, they need preferential economic assistance from the state. This assistance can be provided on the basis of the following government programs aimed at developing agriculture:

- “Solving the food problem”;
- “Development of irrigation and land reclamation”;
- “Improvement of rural fauna, flora and ecology”;
- “Development of new jobs, reduction of unemployment”;
- “Development of the “Knowledge and Skills” program in order to train qualified specialists in rural areas”;
- “Development of the social sphere in rural areas” and others.

In addition, it is necessary to introduce a system of state subsidies and guarantees for individual funds in newly created rural credit cooperatives. It is desirable that 35-45% of the authorized capital of created rural credit cooperatives be formed through preferential and interest-free loans from the state.

It is advisable to limit government intervention in the process of creating rural credit cooperatives:

- The legislative bodies of the republic create a legal basis for the full-fledged activities of these cooperatives in the country and abroad;
- creation by the state of favorable conditions for the development of research on scientific and methodological problems of these cooperatives;
- attracting foreign specialists to their organization and consistent assistance to local specialists in studying the best practices of foreign countries.

Managers and specialists of government agencies should pursue an active policy aimed at popularizing and explaining through all media the advantages of newly created TFRs, and provide assistance in their organization in practice. To create credit cooperatives in rural

areas, it is necessary to fulfill the following conditions and create a favorable environment:

- the presence of trust and respect for the managers and specialists of agricultural enterprises, as well as the working population in this financial and credit institution;
- a high level of financial well-being of the population for active participation in the activities of this financial and credit institution indicates that the population has free funds;
- financial support for this idea, ensuring the development of lending to agricultural enterprises, especially farms and dekhkan farms, small enterprises at all levels of government and other organizations, and the presence of a favorable attitude towards it. Because the creation of rural credit cooperatives will ensure the development of free competition in the financial market, which deals with lending to agricultural production;
- availability of personnel and specialists in rural areas to the extent that credit cooperatives can satisfy the need for qualified personnel;
- formation of a socio-economic environment for the creation of new credit cooperatives in rural areas at the level of demand, etc.

Therefore, in order to speed up a positive solution to the issue of creating credit cooperation in rural areas, it is necessary to pay special attention to the speedy formation of the above-mentioned given conditions, first of all, among industry entrepreneurs, as well as state and non-state institutions.

Newly created rural credit cooperatives must have the legal status of a non-governmental non-profit financial institution. Their main goal is not to obtain benefits from the capital provided for use, but to improve the conditions for obtaining credit, which will allow the development of agricultural production and farm services. Such cooperatives guarantee loans of their members based on their obligations, i.e. on a voluntary basis, insure loans in a timely manner, collect contributions from their members and carry out other economic relations. Because each member of the cooperative has one vote, regardless of their contribution to the fund.

The basic principles of rural credit cooperation should be:

- close to the consumer, for which it can be organized and operate on the territory of farmer associations. This will ensure the inclusion of farmers, farmers, contractors, other enterprises and the population;
- hold its members accountable for the obligations of the credit cooperative in an unlimited amount on a voluntary basis;
- the entrance fee to the cooperative and the size of the shares are not too large, the profit is directed to the formation of indivisible and reserve funds of the cooperative;
- establishment of indivisible property, which is the economic basis of the cooperative, establishment of the minimum size of this property;
- use the received loans only for the purposes specified in the Charter;
- Availability of government bodies and their activities on a community basis.

Based on these principles, the Charter of the rural credit cooperative should be developed. The Charter fully reflects all issues that ensure the efficiency of the cooperative. This is a strong, legal document. At the same time, without approaching the content of the Charter, we approach it only from the point of view of improving agricultural lending.

Each member of the Rural Credit Cooperative must pay an entrance fee. A legal entity or individual who pays it becomes a member of the cooperative.

Summarizing the above, we can conclude that the activities of the Rural Credit Cooperative will contribute to the development of the activities of participants in the agricultural sector and increase the level of use of their financial resources. The income received by the Rural Credit Cooperative as a result of its activities is used to form its indivisible and reserve fund. The purpose of forming such a reserve fund is, first of all, to attract funds to cover losses that may arise as a result of joint activities, i.e., reducing the risk of joint liability.

In addition, this fund will serve as a reliable reserve during periods of economic crisis and recession, ensuring the sustainable

operation of the Rural Credit Cooperative in the future.

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