

## ROLE OF STATE INNOVATION AND INVESTMENT POLICY IN ACHIEVING ECONOMIC GROWTH

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**Abstract.** The original goals of the innovation and investment policy, the introduction of innovations created by attracting investments to economic sectors and regions, and the specific features of the system of turning innovative investment funds into production factors are studied in the article .

**Key words:** investment policy, innovation policy, economic growth, innovative investment, regional innovation and investment policy, high-tech industries, competitiveness, competitive environment.

In the world, along with the rapid development of scientific and technical potential, the intellectualization of the main factors of production is growing. The introduction of innovations has become an important factor in ensuring economic growth and market competitiveness. This, in turn, requires the effective use of advanced scientific developments and technical achievements in the field of innovations in all areas and the strengthening of the competitiveness of the current economic potential.

Global inflation is expected to decline this year, but US inflation is slowly returning to target. The main downside risks are related to the reassessment of expected returns from investments in new innovative technologies and increased geopolitical tensions.

Economic growth, in turn, is its main goal, serves to realize basic human interests, improves the standard of living, quality and well-being of the population, and is its economic base .

The most generalized system of state regulation of the economy should be considered the economic system of the state, in which such elements as investment and innovation activity should be identified. Today, the state in the country has determined the need to develop and implement an investment and innovation policy. This requires the institutionalization of market forms of economic activity and changes in the socio-political components of society.

Investment policy should be viewed as a set of specific targeted measures aimed at developing investment activities, revitalizing the economy, increasing the efficiency of production processes, and creating a favorable environment for all economic entities in order to address existing social problems.

The implementation of state economic policy is carried out through certain actions, mechanisms and means. When considering issues of attracting foreign investment and increasing the efficiency of investment processes in general, it is a set of measures that include support for investments and investors, state financing of innovative investment projects, other forms of financial assistance, as well as tax and administrative support. State support can be both direct



and indirect. Because investment policy is, first of all, expressed in identifying sufficient sources and effective methods of financing investments and setting deadlines for implementing investment policy.

In recent years, the share of investment resources for innovations has increasingly come from individual commercial enterprises, and therefore the role of investment policy at the organizational level is increasing significantly. Studies show that many problems in the investment process are associated with the lack of a clearly defined system of investment policy principles. This system of principles should be the basis of innovative economic development, ensuring effective interaction between all levels of investment activity, from organizations to economic complexes, as well as between government bodies at all levels.

The effectiveness of the state investment policy is closely related to the soundness of its depreciation policy, the level of scientific and technical policy, the development of foreign investor policy, etc. All of this is an integral part of the country's economic policy, must correspond to it and contribute to its implementation. Along with investment policy, an important element of the state economic policy is innovation policy, which ensures the selection of priority paths for the development of science and technology and comprehensive support by the state for their development. In other words, the goal of innovation policy is to increase the country's gross domestic product by creating new types of products (goods) and technological processes (technology), as well as expand markets for goods produced in the republic.

State innovation policy contributes to the comprehensive development of innovative activity in the economy. However, structurally, innovation policy can be represented as a multidimensional phenomenon, and the components of this system are closely interconnected with various components of state economic policy.

Thus, the state innovation policy is an integral part of the state economic policy, and from the point of view of its goals it falls into the category of a socio-economic system and is aimed at the comprehensive development of innovation processes in the country, their transformation into the basis of economic development and the creation of an innovative society. Studies have shown that the goals, mechanisms and means of state regulation of investment activities proposed in scientific articles and applied in practice are not effectively used, and it is clear that this is a question of problems observed in cases related to investment support of priority innovative projects. This indicates the expediency of using a systemic approach in the formation of a single innovation and investment policy. An independently developed investment policy does not create favorable conditions for the implementation of innovative programs and projects.

When developing and implementing a state investment policy, it is important to pay attention to the following persistent negative factors, in particular, the significant uneven distribution of investment potential across the country's territories and the deep differences in regional investment risks. At the local level, we believe that the goals of innovation and investment policy are:

- introducing knowledge-rich products that are characterized by the ability to sustainably renew themselves through the use of innovative technologies;
- regulation of innovation and investment processes in the interests of the region;
- mobilization of investment funds.



It should be noted that when forming an innovation and investment policy at the regional level, the main attention should be paid to its compliance with national priorities, but also to the expected results, which will subsequently serve the interests of the region. Thus, innovation and investment policy should be an integral part of an effective state economic policy aimed at increasing the investment and innovation potential of the region and optimizing its use.

## Conclusion

Based on the sources studied by us, it should be emphasized that achieving economic growth through effective implementation of a policy of innovation and investment activity requires a thorough study of the theoretical aspects of the process. Secondly, this theoretical approach makes it possible to identify the internal sources of economic growth. By analyzing the interrelationship between innovations and investments, it is possible to scientifically substantiate mechanisms for increasing the efficiency of production factors in the national economy, accelerating technological development and creating added value. In the current era of globalization and various crises in the world, studying the theoretical aspects of innovation and investment policy creates the basis for implementing structural changes in economic sectors, ensuring a competitive environment in regions, and sustainable growth. Based on the scientific conclusions based on the research conducted, it creates the basis for developing mechanisms for the targeted allocation of financial resources, creating an innovative infrastructure, and stimulating the economic activity of private entrepreneurship.

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