Essence Of Investment Potential And Patterns Of Investment Fields In The Economy

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Abstract: The article analyzed categorical nature of investments based on existing theories and their development trends. A new approach is proposed for its disclosure and a new definition of investment potential is formulated, which expands the concept of investment potential and gives this category a finished look.The concept of the investment field is introduced into scientific circulation as a kind of qualitative substance inherent in investment activity and capable of acquiring quantitative and qualitative characteristics as the interaction of subjects and investment objects in their various forms and forms develops, under the influence of macro and microeconomic processes.

Index Terms: Economy, idea, investment potential, investment field, patterns of investment field, investment resources, potential.

1. INTRODUCTION

After gaining independence and overcoming the systemic economic crisis of the first half of the 1990s, Uzbekistan has seen a significant annual increase in investment resources, and there is a process of intensification of their generation. This means that the practice of managing the investment process in the republic uses progressive forms and methods of effective investment management [1,2,3,4]. However, domestic economic science has not yet developed a deep theoretical generalization of these processes, identifying patterns and principles of increasing the investment potential of the country. Fundamental problems of the theory of investment potential have so far been studied insufficiently. This determines the urgency of considering the problems of investment potential, due to the exceptional importance of the investment sphere, which determines the current state of the national economy and lays the foundation for its development in the long term. The relevance of research in this direction is also enhanced by the need to develop investment policies at the state level in order to combine and practically implement two important tasks - ensuring economic growth and enhancing the investment process [5,6,7,8]. The lack of an adequate industrial and investment policy negatively affects the investment opportunities of all business entities, the population, and therefore the economy as a whole. The main importance of the state economic policy should not consist in supporting depressed enterprises and territories, but in identifying their hidden investment potential, sources of attracting investments and identifying priority areas for capital investment in order to ensure expanded reproduction on an innovative basis. However, until now, in the economic literature there is no integral conceptual apparatus of investment issues. There is no consensus on the content of the concept of “investment potential”. Most of the available works on this topic are characterized by fragmentation. Many issues that arise when determining ways to enhance investment potential are debatable.

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2 METHODS OF RESEARCH

Economic growth and investment are interrelated phenomena, which was proved by representatives of the classical economic school. The problem of the relationship between economic growth and investment was developed in the works of K. Marx, according to which, taking into account where investments are directed, the types of economic growth are distinguished: extensive and intensive. A. Marshall, J. M. Keynes and other world authorities also paid special attention to this problem. The idea of the need for investment as a means of enhancing economic growth was first formulated by mercantelists. The solution to the dilemma lies in the doctrine that is characteristic of mercantelists that money «accelerates trade and increases the speed of circulation of goods». Further, this idea was developed in the writings of the physiocrats (Adam Smith, F. Kane, J. B. Say)[9,10,11]. And the well-known tables of F. Caenet already contained investment components, which were subsequently used in the Leontief matrix of «input-output». In the Leontief system, all the factors required to produce a certain good are used in fixed proportions. A significant role in the development of investment theory was played by the works of Adam Smith, who for the first time classified investments as savings aimed at acquiring equipment and technical improvements and showed their role in the movement of material and financial flows.Later, the theory of investments was significantly developed in the works of J.M. Keynes. His new idea was that «it is investments, not savings, that cause changes in income: instead of taking the desired level of savings as the starting point of the analysis and then showing how the investments adapt to the savings with the help of the interest rate, Keynes proceeds from an autonomous flow of investments and shows how through the multiplier those very savings are created that are necessary for a given level of investment. This idea is reflected in his multiplier and he shows how investments affect the growth of savings. However, he interprets the investment in two ways. On the one hand, this is «the current increase in the value of capital property as a result of the production activities of a given period», on the other hand, it is «that part of the income for a given period that was not used for consumption».In the second half of the last century, we observe the intensive development of new investment models based on the mathematical processing of investment parameters. These are models of production functions, models of production capabilities, equilibrium models of real investments, etc. Various branches of the general theory of investments are developing - Tobin's theory (the theory of investing in acquisitions of firms), the theory of rationing loans, etc. During this period, domestic economic science based on the theory of capital investment efficiency, academician T. S. Khachaturov, made a significant breakthrough in a different direction, developing a methodology for economic and mathematical modeling of investment processes. The Leontief matrix «input - output» is studied in the form of intersectoral balances of production and distribution of products. In this way, since the second half of the twentieth century, two relatively independent lines of research have emerged, one of which adhered to the traditional paradigm of capital investment efficiency and the second - the conceptual basis of which was modeling and optimization of resource use. In principle, the level of methodological development of research by domestic scientists at that time was not inferior to the similar developments of foreign theorists, but they were carried out as part of an off-market centralized planning system and therefore had their own specific features. The beginning of reforms in all countries with economies in transition led not only to the rapid introduction of traditional market theories and new market terminology, but also to a deeper theory of investment. And the appearance in this period of works by foreign authors (S. Brue, J. Keynes, C. McConnell, P. Masset, S. Fisher, P. Samuelson, W. Sharpe and others) led to the widespread use of the term "investment" in Russian science. Simple and understandable today are the economic categories of "investment", "investment climate", "investment policy", "investment resources", etc. relatively recently entered into scientific circulation in our country and began to be widely used in practice. As we noted above, in essence, the beginning was laid by the adoption of the Law of the Republic of Uzbekistan "On Foreign Investments" in 1992. For the first time in the legislative practice of Uzbekistan, new market terms were introduced in this area of the economy. Prior to the adoption of this law in theory and practice, the term "investments", known in countries of a market economy, was occasionally used only as a synonym for the concept of "capital investments", and even then only in economic literature. Meanwhile, the identification of the concepts of capital investments and investments was already incorrect at that time, since in the market economy the concept of investments is much broader, since in the reproduction system investments play a crucial role in the renewal and increase of production resources, and, consequently, in ensuring certain rates of economic growth. The terminological space of the theory of investment in research is represented very widely, which means that further research should be based on a clear and unambiguous conceptual apparatus. Therefore, to reveal the essential role of investment potential, it seems necessary to formulate a different approach to this category. In it, unlike the existing interpretations, two sides of investment activity should be reflected - the availability of investment resources (sources) and the effectiveness of their investments. The introduction of the second component expands the concept of investment potential and gives this category a finished look. To determine the categorical essence of investment potential, the author introduced the category of "investment field" into the theory of investment potential, based on the fact that the economy of a country, region, industry, enterprise has an investment field. The author's introduction to the theory of the concept of "investment field" allows us to formulate general patterns inherent in him, which, due to an inextricable connection, are also patterns of investment potential (Fig. 1).

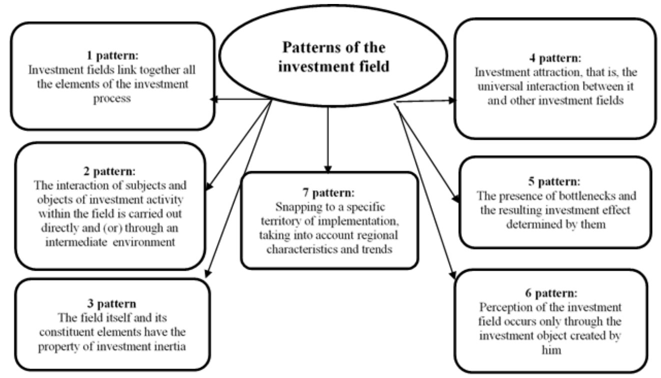

Fig. 1. *Schematic diagram of the patterns of the investment field*

The first pattern of the investment field, linking together all the elements of the process of investment activity, is the unity and contradiction of the application of two forces - macroeconomic regulation of investment activity and microeconomic investment behavior of business entities. The unity and contradictions of these forces form the economic impulses of successful investment activity. The unity and contradictions between macro- and microeconomic processes in the investment sphere is an objective reality, since the interests of the state and a particular economic entity diverge in many aspects. The most striking example of this is the rigid fiscal system of taxation, and at the same time, the state is interested in creating the conditions for successful investment activities of enterprises. The second pattern of the investment field lies in the fact that the interaction of subjects and objects of investment activity within it is carried out directly and (or) through an intermediate environment. The nature of this interaction is determined by investment resources, the composition of which is established by law. The third pattern of the investment field consists in the fact that it and its constituent elements possess the property of investment inertia. This is due, on the one hand, to the existence of investment cycles, and on the other, to the consequences of the investment impact on the economy of an economic entity. Inertia properties are characterized by the dynamics of investment activity and the timing of the manifestation of the investment effect. The fourth pattern of the investment field - investment attraction, that is, the universal interaction between it and other investment fields, or their elements, which determines investment activity near a developing investment object. The fifth pattern of the investment field- the presence of bottlenecks and the resulting investment effect determined by them. This pattern is that the investment result depends on the commissioning of the facility with the least readiness. The sixth pattern of investment field consists in the fact that his perception occurs only through the investment object created by him. In other words, the real existing investment field itself is manifested only in the interaction of its constituent elements, and only the result of this interaction allows us to perceive it as reality. This implies the conclusion that the investment field is a kind of qualitative substance inherent in investment activity, capable of acquiring quantitative and qualitative characteristics only as the development and interaction of subjects and objects of investments in their various types and forms, under the influence of macro- and microeconomic processes, integrated development of individual territories (regions). At the same time, receiving quantitative and qualitative attributes, it transforms from a qualitative abstraction into a specific system. And this aspect always acts as the most important among all the attributes of the investment field, since in its attribute model the phenomenon (phenomenon) and essence (quintessence) take the place of the fundamental, most complex attributes, since all the others characterize only certain sides of these attributes or various aspects of the relationship between them. From here it's clear that the investment field acts as a form of manifestation and an external manifestation of its essence, revealing the systemic structure of the latter. This category, representing the main, the main, determining in investment activity, is expressed in the investment potential, which reflects the basis of all the changes made in investment activity during the dynamic interaction of subjects and objects of investments in all their types and forms. Proceeding from this, we come to the understanding that investment fields and investment potential comprise in themselves conditioned and conditioning and are inextricably linked with each other.

3 RESULT

An in-depth study and generalization of modern theories and scientific schools show that the understanding of investment potential in foreign, as well as in domestic literature comes in most cases from the availability of a resource base. But this is how any potential is defined, and the inclusion of a wide range of private potentials, including natural, industrial, labor and other resources, essentially eliminates the differences between investment and economic potential, mixing these concepts.

4 CONCLUSION

The author formulated the following interpretation of investment potential. Investment potential is an interacting set of current and prospective investment resources, real and possible results of their use in the space of the corresponding investment field. This definition of investment potential not only reveals its categorical essence, but also allows you to effectively use it in developing the theory and methodology of the mechanism of its formation, to determine the goals, directions, priorities and scope of practice to increase investment activity. Abstracting from the details and details in the formulated definition of investment potential, we see at least two components of this category - resources and the result of their use. This understanding of investment potential differs from other approaches that consider only the resource base and its private components. The dual nature of investment potential, defined as a combination of resources and the results of their use, allows us to understand that investment resources are not attracted, but are created as a result of use.

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