

*Shakirova G. Sh.,
Teachers of the Department of Management, Namangan Engineering
Construction Institute, Namangan, Uzbekistan*

INVESTMENT IS THE DRIVING FORCE OF THE ECONOMY

***Annotation:** This article deals with investment issues as the main structural elements of the market*

***Keywords:** investment, innovation, capital, technology, currency, market reforms*

ИНВЕСТИЦИИ - ДВИЖУЩАЯ СИЛА ЭКОНОМИКИ

***Аннотация:** В данной научной статье рассмотрены вопросы инвестиции как основных структурных элементов рынка*

***Ключевые слова:** инвестиция, инновация, капитал, технология, валюта, рыночные реформ*

Scientific and technological progress has an impact on economic growth and the welfare of the population. The key to improving the quality of products and services, saving labor and material costs, increasing labor productivity, improving the organization of production and improving its efficiency are the achievements of science and technology.

It is generally accepted that there are two levels of analysis of economic phenomena: at the micro and macro levels. In connection with the fact that this chapter will deal with economic growth, it is necessary to describe what indicators are used to calculate economic growth at the macro level, since this level is the main one in the study of economic growth. At the level of the economy as a whole, economic growth is calculated on the basis of such indicators as GDP and GNP. Due to the fact that the essence and the difference between these indicators are well known, in the author's opinion, a detailed analysis in their relation within the framework of this work is not necessary. To measure the quality of economic growth, indicators such as the standard of

living of the population, the ratio of leisure and working time, the level of education in the country, the availability of programs for the development of skills and retraining of personnel, the health of the nation, and much more are also used.

It should be noted that the concepts of economic development and economic growth should be distinguished. Economic development is a broader concept than economic growth. First, development can occur in the absence of growth, in parallel with the emerging prerequisites for it. Secondly, transformations in the form of structural changes and all sorts of innovations that can be attributed to development often occur during the crisis and do not lead to economic growth immediately. Schumpeter understood economic development as «the production of a new (or creating a new quality) good, the introduction of a new method (method) of production, the development of a new market, the receipt of a new source of raw materials (semifinished products), the appropriate reorganization (for example, monopoly or undermining monopoly position of another enterprise)». The above characteristics of economic development can be attributed to both macro- and microeconomic levels.

Economic growth can be imagined as a trajectory along which the economy moves in its development. Short-term economic growth, based on the impact on indicators, does not mean the economic health of the entire system. Thus, economic development is determined by a set of criteria and only as one of them is economic growth. An indication of sustainable and progressive development can be economic growth combined with improving indicators of qualitative changes.

Thus, economic development does not always lead to economic growth, but always leads to qualitative changes in the components of economic growth.

In the thirteenth edition of *The Economics: Principles, Problems and Politics*, the authors of McConnell and Bru point out that there are two ways in which economic growth can be defined and evaluated: as an increase in real

GDP over a period of time and as an increase in real GDP per capita over a period of time of the population. More correct in the opinion of the author, of course, is the second method.

Together with other components (stability, security, level of social protection, etc.), economic growth determines the direction of society's movement, establishing the character of social development as a whole (progressive, regressive or inertial).

Qualitative growth is usually attributed to growth, which is achieved by increasing the return on resources, rather than by increasing the amount of their costs. This type of economic growth can be achieved through the use of more advanced technologies and factors of production, which is achieved by raising the level of education and skills of employees, mobility and efficiency of resource allocation, improving the management of production and personnel, and the use of scientific and technological progress. A.G. Aganbegyan stressed that it's not just about increasing the growth rate of the economy, but about the new quality of growth and the new content of each percent of the increase in national income, about the transition to an intensive development path. «The low quality of economic growth means that development is based on old products, existing capacities, existing fixed assets. The quality of economic growth increases as the transition to the production of new products at new production facilities, renewed production assets on the basis of scientific and technological progress».

The approach of Ochkovskaya M.S., for example, is that, under qualitative economic growth, she understands the growth of a potential output through innovation⁵. In his thesis Ochkovskaya M.S. has combined the growth of potential output and the innovation factor, meaning that the growth of potential output can occur due to traditional (extensive) factors, and the growth of innovations and their specific gravity can occur at a level below the potential one. Qualitative economic growth is characterized by an increase in the share of

innovation in the structure of economic growth factors and an increase in potential output. According to E. Denison, the contribution of the innovation factor to the economic growth of developed countries is about 2/36.

Of the most relevant works devoted to the development of the issue of qualitative economic growth, one can single out the work of V.N. Rutskiy. «Socio-economic nature and information-institutional mechanism of economic growth». Rutskiy V.N. defines qualitative economic growth as «long-term reproduction of an evolving holistic economy whose socio-economic nature is manifested in the intensification of sources, the uncertainty of the mechanism and the humanization of the growth results.»

As can be seen from the definition, Rutsky V.N. distinguishes three qualitative aspects of economic growth: the intensification of sources, the uncertainty of the mechanism and the humanization of growth results.

Reproduction of economic information in the form of scientific and technical knowledge, knowledge, skills, and communication opportunities determines the intensification of sources of economic growth. At the same time, the reproduction of economic information implies not only an expanded reproduction of the social product, but also the creation of new forms of interaction between subjects within the information economy

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