

## A STRATEGIC APPROACH TO STATE FINANCIAL SUPPORT OF THE REGIONAL ECONOMY.

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**Abstract:** This article provides comments on the strategic approach of the state's financial support of the region's economy, and provides an analysis of the developed programs for the comprehensive socio-economic development of the regions. In particular, we can see that the financial assistance of 15 trillion soums for more than 46 thousand projects aimed at improving the living standards of the population in order to support entrepreneurial activities to reduce poverty. , practical proposals and recommendations have been developed to expand foreign trade power through new technologies, create an investment environment in new sectors such as industry, agriculture, service and machinery.

**Keywords:** region, financial area, strategic approach, financial relations, financial stability, investment, economic growth, labor productivity, incentive programs, state fund.

**INTRODUCTION.** Territorial finance, which is the subject of discussion today, is considered an integral part of the state financial chain, and is based on the provision of financial resources to meet the needs of economic entities and allocations to budget and non-budget funds in various areas, including economic resources distributed on the scale of districts, cities, provinces. is a means of directions.

Today, the economy of the region is an economic system consisting of various complex aspects. When this is analyzed from the perspective of a strategic approach in the process of increasing the efficiency of using the financial and economic potential of the regions through state support, it is undoubtedly an urgent issue of today's research. This is potentially development of the financial and economic environment means that investment projects should be used wisely in practice.

The goal is to impose the obligation of the management apparatus of the regional economy to achieve specific results at the specified time. However, each country should have its own image in the financial support of the regional economy by the state. Undoubtedly, strategic approaches to the development of economic relations promote financial stability. provision remains increasingly relevant.

The reforms implemented in our country on the basis of strategic approaches to financial support of the economy are giving their results to the economy of the region today and tomorrow.

In particular, Decree of the President of the Republic of Uzbekistan No. PF-60 dated 28.01.2022<sup>1</sup>The decree of the new development strategy of Uzbekistan for 2022-2026 shows that the process of working with regions has been carefully developed within the framework of the tasks set for the complex socio-economic development of regions. Accordingly, in order

<sup>1</sup> <https://lex.uz/ru/docs/-5841063>

to ensure the rapid development of the national economy, it is necessary to maintain the stability of macroeconomic links, reduce the annual inflation rate, reduce the budget deficit, increase industrial sectors and labor productivity, improve the investment environment, and other social activities. Other programs have also been developed.

The regional economy is a part of the economy that manifests itself in social activities in many cases. In such an economy, the geographical scope of the regions and the living standards of people, high profit and prosperity in the development of the region are referred to.

In our republic, the regional economy consists of natural resources and production, market and pricing, finance and investment, various activities of enterprises and organizations.

creates the layers in the views

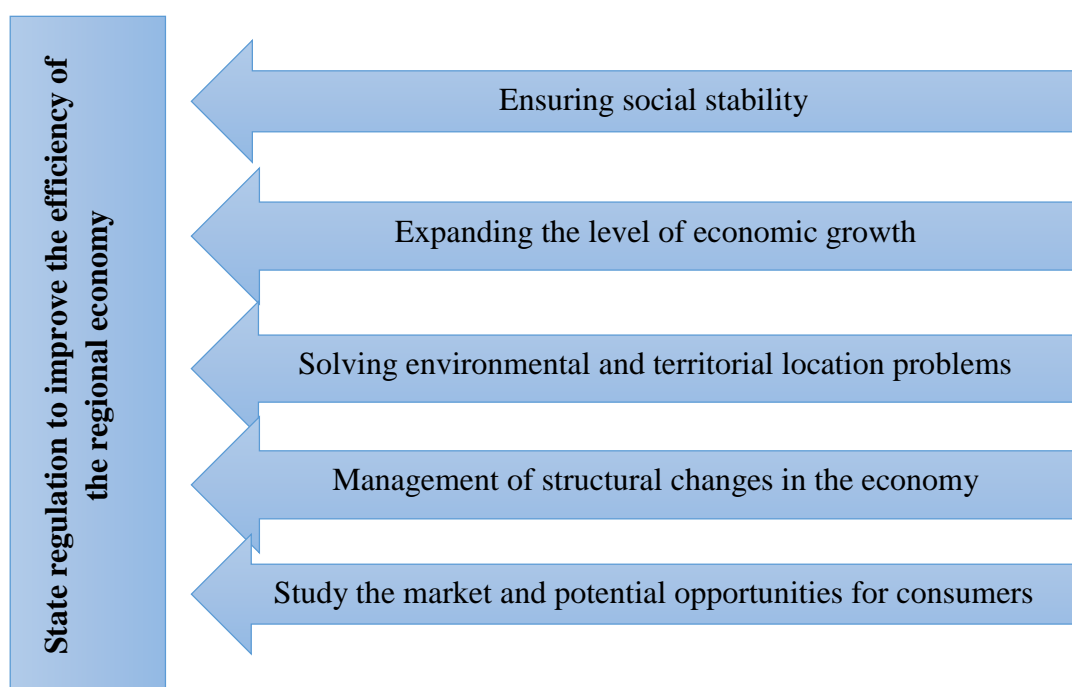
**RESEARCH MATERIALS AND METHODS.** In the increasingly developing market economy, it encourages the development of research methods for studying the practical and theoretical problems of the economic, social, and political activities of the region. This is the desire for the strategic management of financial relations in the economic growth of the regions, the distribution of the population's monetary income, free financial resources. financial balance between commodity market opportunities

provides. P.Samuelson had his own opinion about this. He said that "it is not necessary to strive for a simple quantitative growth of production (even per capita). At the same time, it is necessary to achieve the internal development of the entire socio-economic structure of society." according to many scholars

Uncontrolled quantitative growth can be a danger to all humanity, because it causes environmental, energy, raw material shortages, financial crises, inflation and other global problems.

According to Dj. Friedman, economic growth occurs more in cities.<sup>2</sup>

Financial support of the regional economy by the state includes two different procedures. First, it takes the need to regulate the regions for their development, and secondly, to encourage the regions to realize their economic goals.



<sup>2</sup>Regional-economy.-Textbook.-GMShadieva-and-others.-Samarkand-2023 page 272.

Figure 1. The goals of state regulation in increasing the efficiency of the regional economy.<sup>3</sup>

We can include scientists such as S. Dennison and A. Lyosh as the founders of the theories of state regulation of regional economic development.

One of the main economic directions of state regulation of regional development is the budget system. The budget is legally developed and used in practice. Macroeconomic means of regional development are manifested in the regional distribution of the state's tax, credit, investment, price, social and other policies.

A. Lyosh studied the regulation of the economic development of the regions by the state in many of its activities. He developed and proposed measures to facilitate economic regulation in certain regions. In particular, he proposed the creation of a central bureau that would provide information on relocation of production, support from the state in order to be competitive, and easy access to investments. will bring.

Incentive programs will be developed for the financial support of the regional economy by the state and the realization of the goals of improving the living conditions of the population. These programs are allocated to the following areas to achieve their goals.

1. Areas with slow development.
2. Regions that have entered competition, but have little potential.
3. Areas with very dense population but high economy.

Based on this classification, the main regional investments of the state are formed. However, the regional economy is financed by the state

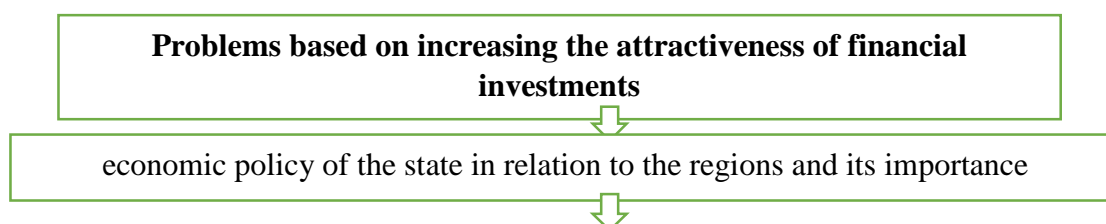
One of the most important strategic approaches to support is investment. Creation of an investment environment is a means of development of regions' financial, economic, social, legal, political, cultural, legal and other activities.

Many researches about investment have been carried out by foreign scientists in the scientific literature. Among them, it is important to create the necessary conditions for attracting foreign investments to the republic's economy.

It is economic, political, social and legal in which country can be put into the economy of that country only if the conditions are there (positive).<sup>4</sup>

According to Glagoleva and Belogura, "the investment climate of a country or region is a generalization of the description of the political, social, economic and legal conditions of the state, which determine a certain level of attractiveness of financial investments."<sup>5</sup>

If we consider the scientific views about the investment environment, it is not an exaggeration to say that the combination of various factors determines the promotion of certain investment processes. The problem of financial stability of the region is considered as a complete complex of the development of socio-political and economic relations of any country.



<sup>3</sup>Author development

<sup>4</sup>Mustafaqulov SH.I. (2017) Attractiveness of the investment environment. Scientific and practical guide. Tashkent Bakktria press, page 320

<sup>5</sup>Glagolev P., Belogur S. (1997) Investment spaces of Russia // Rossiyskiy investitsionnyy vestnik. No. 3. p. 15.

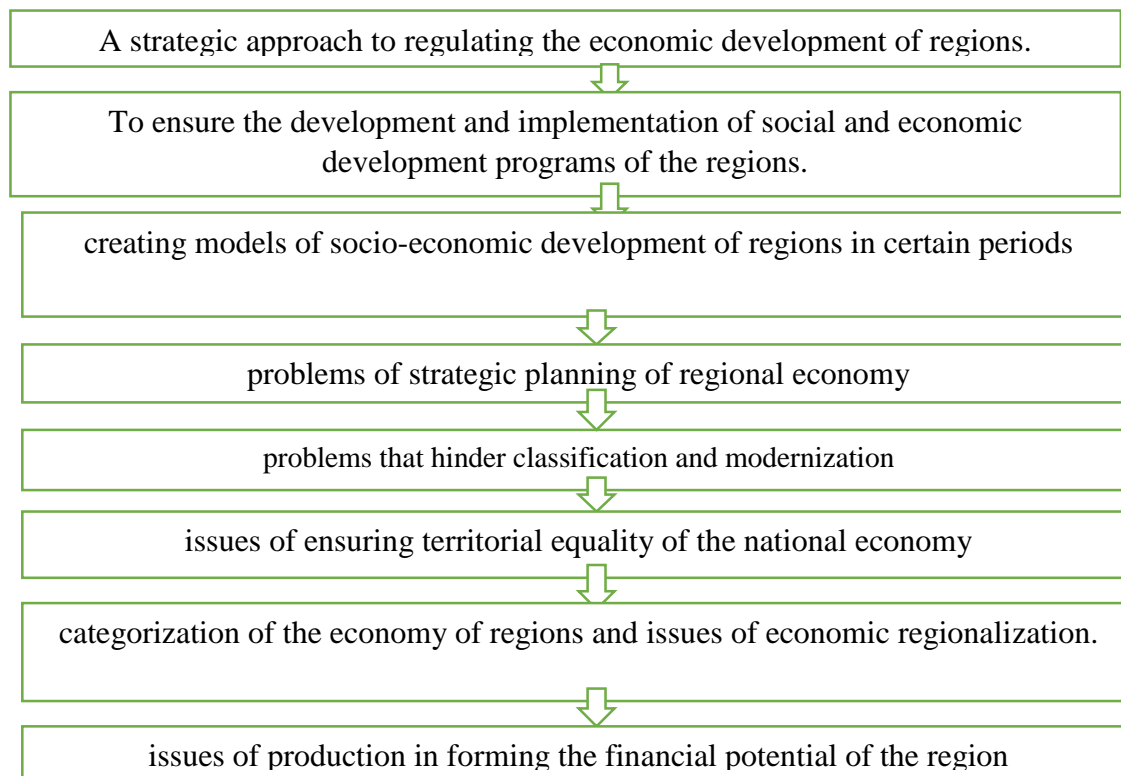


Figure 2. Ways to study problems on the basis of increasing the attractiveness of financial investments<sup>6</sup>

The main management tasks of financial relations in the region are to ensure the material and financial balance of the social and economic development of the region, the mobilization of free financial resources, the balance between the income of the population and the opportunities of the consumer market.

consists of establishing control over provision. Production and business activities play an important role in shaping the financial potential of the region<sup>7</sup>

Edgar M. Hoover's studies show that the increase in the income of the population leads to the formation of financial potential in the region and the development of the national economy.

**ANALYSIS RESULTS AND FORECASTS.** Analyzing the strategic approach of state financial support to the regional economy

First of all, PF-150 No. 09.06.2022 "On additional measures to further improve the activities of the State Fund for the Support of Entrepreneurial Activities"<sup>8</sup> We cannot help but remember the decree of the President of the Republic of Uzbekistan. In recent years, priority has been given to the support of business entities by the state. More than 15 trillion soums have been allocated to more than 46 thousand projects of business entities by the State Fund for the Support of Entrepreneurial Activities under the Ministry of Economic Development and Poverty Alleviation. financial support was provided. Reimbursement of loans and leases in the national currency of commercial banks with a total value of 5 billion soums and an interest rate not exceeding 1.5 times the Central Bank's base rate for business projects to young entrepreneurs that exceeds the base rate, but not less than 30% of the base rate

<sup>6</sup>Author development

<sup>7</sup>Edgar M. Hoover and Frank Giarratani "An Introduction to Regional Economics"/Pub BR, 2015, page 210- 212

<sup>8</sup><https://lex.uz/uz/docs/6060527>

compensation is provided for up to three years. 2.5 billion up to 50% of the amount of bank loans within the implementation of investment projects

given with guarantees in the amount not exceeding soums. This state

Foundation provided financial support for various business activities, and this is the basis for a long-term strategy. For example, PF-60 number 28.01.2022. "For 2022-2026

"On the development strategy of the planned New Uzbekistan".<sup>9</sup>The decree of the President of the Republic of Uzbekistan made it possible to implement many projects. In particular, in Annex 3 of this decree, today's potential possibilities for the development of the national economy and ensuring high growth rates opened the way for the analysis of tomorrow's forecasts. For example, by ensuring high growth rates in the sectors of the economy, in the next 5 years, GDP per capita will be 1.6 times, and by 2030, the per capita income will increase from 4 thousand US dollars, and It is aimed to create the ground for entering the ranks of "high average countries". This has resulted in these processes. First, to ensure macroeconomic stability and inflation

We can see in the calculations that the growth rate has decreased by 5%, secondly, the state budget deficit has decreased by 3% compared to GDP, and thirdly, the newly attracted external debt per year has been reduced in the management of the state debt.

Today, the reforms that are being carried out to create a stable economy are giving their results in the financial support of the regional economy. Including the rapid development of sectors of the republic's economy, expansion and modernization of production capacities, wide introduction of modern technologies in industry, service and agriculture, increasing the volume of production of exportable products with high added value, acceleration of investment processes and regions

in order to actively attract foreign direct investments, as well as create high-income jobs locally and ensure employment of the population PQ-459 dated 12.28.2022 Measures for the implementation of the investment program for 2025

about".<sup>10</sup>The decision of the President of the Republic of Uzbekistan was adopted. This program can be refined and updated based on the development concepts of sectors and regions.

Centralized and decentralized investments in 2023-2025

We can see the cumulative target indicators of absorption in the table below.

Funding	Total in 2023-2025	from that		
		2023 year	2024 year	2025 year
total capital investment	1 214 970	352 717	403 038	459 215
<i>including:</i>				
<b>Centralized investments</b>	193 587	55 538	65 622	72 428
Budget funds	83 360	25,886	28,074	29,400
Recovery and Development Fund funds	11 170	3 171	3 454	4 545

<sup>9</sup> <https://lex.uz/ru/docs/-5841063>

<sup>10</sup> <https://lex.uz/uz/docs/-6329448>

million in US dollars	873	267	271	335
Foreign loans under state guarantee	99,057	26 481	34,094	38 483
million in US dollars	7 737	2 225	2 675	2 837
<b>Decentralized investments:</b>	<b>1 021 383</b>	<b>297 179</b>	<b>337 416</b>	<b>386 788</b>
Enterprise funds	326 814	93 930	107 534	125 350
Commercial bank loans and other debt funds	197 010	57 696	64 782	74 532
Foreign direct investment and loans	401 466	116 193	133 200	152,073
million in US dollars	31 425	9 764	10 452	11 209
Population funds	96,093	29 360	31,900	34 833

The results of the analysis increase the possibilities of forecasting the target indicators of investment and credit absorption in sectors and regions in 2023-2025.

T/r	Name of project initiators	Development forecast in 2023-2025	from that		Development forecast in 2023	from that	
			foreign direct investment and loans	foreign loans under state guarantee		foreign direct investment and loans	foreign loans under state guarantee
	Regional projects	26,994.0	19 341.0	134.4	7 985.3	5 676.8	74.4
1.	The Council of Ministers of the Republic of Karakalpakstan	365.8	275.4		108.6	80.1	365.8
2.	Andijan regional government	2002.7	1 533.3		569.6	452.9	2002.7
3.	Government of Bukhara region	1601.7	1 181.1		471.7	347.7	
4.	Government of Jizzakh region	1956.5	1 526.2		578.0	453.4	
5.	Government of Kashkadarya	1255.7	855.0		369.8	251.7	





	region						
6.	Administratio n of Navoi region	1095.4	941.7		322.6	280.0	
7.	Government of Namangan region	2308.0	1 400.4		698.8	415.0	
8.	Hokimat of Samarkand region	1821.6	1 387.4	119.4	504.4	373.9	59.4
9.	Governorate of Surkhandarya region	1589.1	937.2		468.0	279.5	
10.	Governorate of Sirdarya region	1399.3	1 075.4		428.0	317.1	
11.	Administratio n of Tashkent region	2306.8	1 490.4		688.2	433.3	
12.	Administratio n of Ferghana region	2869.1	2 410.7		850.2	709.7	
13.	Khorezm regional government	1261.1	928.6		407.5	294.6	
14.	Tashkent city administratio n	5161.0	3 398.3	15.0	1 519.9	988.0	15.0

In the implementation of this program, including the projects included in it, the project initiators, as well as the interested state and economic management bodies, and commercial banks coordinate their activities. This is a proof of the correct interpretation of the financing strategy in the development of the regional economy.

**CONCLUSION.** Financial by the state in the development of the regional economy  
Creating a strategic model of support should be based on the most global trends.

Today's potential opportunities to develop the national economy and ensure high growth rates through the reforms carried out on the basis of strategic approaches to financial support of the economy in our country provide opportunities to realize the intended goals in the future. , increasing the volume of production of exportable products with the introduction of modern technologies, increasing the variety of new products through the implementation of new strategic ideas in the industry, service and agricultural sectors, creating an investment environment in the regions, high it is possible to achieve the well-being of the population based on the creation of profitable jobs.

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