



## ANALYSIS OF THEORETICAL APPROACHES TO THE ROLE AND ECONOMIC CONTENT OF INVESTMENTS IN THE INNOVATIVE DEVELOPMENT OF TOURISM

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**Abstract:** Solving theoretical and practical problems of investments is of great importance not only for the development of material production, but also for the development of the intangible sector, including tourism. Because the tourism sector is an important factor in the effective use of the rich historical and cultural potential of the country's national economy, its individual regions, a multiplier that multiplies their positive effect several times. The author analyzed theoretical approaches to the role and economic content of investments in the innovative development of tourism in the article.

**Key words:** tourism, service, innovation, investment, finance, investment resource, reinvestment, macroeconomics, hotel, camping, tourist base, profit, income.

**Annotatsiya:** Investisiyalarning nazariy va amaliy muammolarini hal etish nafaqat moddiy ishlab chiqarish, balki nomoddiy soha, jumladan turizmni rivojlantirish uchun muhim ahamiyat kasb etadi. Chunki turizm sohasi mamlakat milliy iqtisodiyoti, uning alohida mintaqalarining boy tarixiy-madaniy salohiyatidan unumli foydalanishning muhim omili, ularning ijobiy samarasini bir necha barobar ko'paytiruvchi multiplikator hisoblanadi Muallif maqolada turizmni innovatsion rivojlantirishda investisiyalarning roli va iqtisodiy mazmuni borasida nazariy yondoshuvlarni tahlil etgan.

**Kalit so'zlar:** turizm, xizmat, innovatsiya, investitsiya, moliya, investision resurs, **reinvestsiya**, makroiqtisodiyot, mehmonxona, kemping, tur baza, foyda, daromad.

**Аннотация:** Решение теоретических и практических проблем инвестиций важно для развития не только материального производства, но и нематериальных сфер, в том числе туризма. Потому что сфера туризма является важным фактором эффективного использования богатого историко-культурного потенциала народного хозяйства страны ее отдельных регионов, а также мультипликатором умножающим их положительный эффект в несколько раз. В статье автор проанализировал теоретические подходы относительно роли и экономического содержания инвестиций в инновационное развитие туризма.

**Ключевые слова:** туризм, сервис, инновации, инвестиции, финансы, инвестиционный ресурс, реинвестирование, макроэкономика, гостиница, кемпинг, туризм, прибыль, доход.

**Introduction.** In a market economy, the development of the country's economy cannot be carried out without investments. In particular, investment-related processes are of paramount importance for the economies of developing countries. Therefore, investment-related problems are also extremely relevant for our country, which is on the rise and seeks to take its place among developed countries. Taking into account the close relationship between economic growth rates and investments, serious attention is paid to improving the

investment climate in Uzbekistan and conducting an investment policy aimed at expanding the volume of investments.

Solving theoretical and practical problems of investments is of great importance not only for the development of material production, but also for the development of the intangible sector, including tourism. Because the tourism sector is an important factor in the effective use of the rich historical and cultural potential of the country's national economy, its individual regions, and a multiplier that multiplies their positive effect several times.

However, in order to successfully solve the urgent problems of the rapid development of the tourism sector, it is necessary, first of all, to develop transport, social and engineering-communication infrastructure, services in recreational areas, and roadside infrastructure facilities. Tourism, the rapid development of which in terms of quantity and quality has become a priority of the state macroeconomic policy, requires the creation of many new tourist facilities, the modernization of existing facilities, their equipping with new technology and equipment, and the enrichment of new tourist products and services based on the needs of the tourist market and consumers. Naturally, all this requires large financial costs and significant investments. According to experts, direct and indirect income from tourism makes the costs of its development one of the most important means of its rapid development.

In addition to the opinion of experts on the rapid payback of investments in tourism development, it should be noted that this conclusion of experts should be used in its place for Uzbekistan, which is facing a shortage of financial resources in the rapid development of the economy. Investment in the tourism sector is, first of all, the expenditure of financial resources in the form of long-term capital (for a period of one year or more), regardless of whether it is within the country or abroad, in order to benefit the sector.

**Analysis and results.** When assessing the current state of tourism, it is important to note that the level of development of tourism infrastructure in Uzbekistan does not fully meet the needs of foreign tourists. In conditions of insufficient infrastructure development, it is not possible to increase the flow of tourists and, accordingly, foreign exchange earnings. Based on this, the state of the infrastructure, along with ensuring the development of tourism, directly affects the formation of the country's image.

In scientific literature and official documents, the concept of "investment" is widely used instead of "financing" in relation to the sphere of innovative investment, and some authors equate these concepts. Uzbek and foreign scientists have dealt with various aspects of the problems associated with investments in the development of tourism. These include M.B. Birzhakov[1], V.S. Bogolyubov[2], S.A. Bystrov[3], Yu.F. Volkov[4], S.A. Sevastyanova[5], A.D. Chudnovsky[6], M.Q. Pardayev[7], N.T. Tukhliyev[8], I.S. Tukhliyev[9], etc.

For example, while the works of M.B. Birzhakov, V.S. Senin, T.T. Khristov, A.D. Chudnovsky mainly deal with investment, the studies of V.S. Bogolyubov and S.A. Bystrov partially indicate the aspects of investment related to tourism. The studies of M.Q. Pardayev, I.S. Tukhliyev, N.T. Tukhliyev cover the issues of using the tourist potential of our country and the role of investment. However, the role of investments in the use of existing tourist resources in our country, the possibilities of directly attracting investments in tourist resources on a large scale and increasing the efficiency of their use have not been studied much. This, in turn, became the basis for research on the topic of showing the role of investments in the innovative development of tourism and its strategy for effective use.



Another thing is that they did not give interpretations of the concept of “financial support of innovative activities” in their work. The process of financial and non-financial expenditures on expanded production is associated with the concept of “investment” in the economic literature and legislation. In the process of theoretical research, we came to the conclusion that financial support determines the activities related to attracting, distributing, using capital and managing them in the venture capital market. The system of investment in innovative projects includes sources, methods and forms of financing intended for the creation and implementation of innovative programs and projects, scientific research and experimental developments, the organization of production and improvement of technologies, the formation of an innovative infrastructure that contributes to increasing innovative activity in the country or regions.

For example, if we look at the statistical data on the volume of investments in fixed capital in the Samarkand region for 2019-2023, this indicator at the regional level amounted to 18917.1 billion soums in 2023, an increase of 2.7 times compared to 2019. The largest volume of investments in fixed assets in 2019-2023 was recorded in Samarkand (7.9 times), Kattakurgan (7.0 times), Nurabad (6.9 times) and Jomboy (3.4 times) districts. The regions with the lowest growth rates during these periods are Akdaryo (115.7%), Urgut (134.3%), Pakhtachi (141.1%), Toylok (149.4%), and Bulungur (169.1%) districts. The volume of investments in fixed capital in Ishtikhan district decreased by 11.1% in 2023 compared to 2019. It should be noted that Urgut district occupies one of the leading positions in terms of industrial production, and the volume of fixed assets is much higher than in other districts.

Ensuring macroeconomic stability in the country and increasing investment activity in the efficient use of resources is of great importance. Also, while the share of investments in fixed assets in the GNP was 21.5% in 2019, this indicator increased to 30.3% by 2023. Of course, this is an expression of the growing investment attractiveness of the region[10]. It should also be noted that tourism infrastructure is not evenly distributed across Uzbekistan. The city of Tashkent and its region account for 40% of the republic's tourism potential. Four regions (Tashkent, Samarkand, Bukhara and Khorezm) and the city of Tashkent have large infrastructure potential. For the development of tourism, it is important to ensure the effective use of existing tourism resources, as well as to develop the tourism infrastructure of each region to the required level. We believe that all this will require large financial expenditures, that is, investments.

The results of our research led to the conclusion that there are different opinions among economists about the economic content of investments. Thus, "investment" is understood as all types of property, financial and intellectual wealth invested by investors in various sectors and other areas of the economy within the framework of the law in order to receive income (profit) in the future or achieve social benefits. In other words, investments are the introduction of tangible, financial and intangible assets of various forms of ownership into circulation for the purpose of obtaining socio-economic or productive (income) benefits.

Russian economists L.S. Tarasevich, P.I. Grebennikov, A.I. Leussky interpreted investments in a very narrow sense as expenditures of households for durable goods or for the construction of private housing[11]. In our opinion, this definition is quite limited and reflects only a part of investments, namely, the part related to population consumption. Its second and main part - investments related to the expansion of gross production and



strengthening of the material and technical base of service sectors - remained outside the authors' attention.

In summary, we would like to note that none of the other definitions and interpretations not given above and given in order to save time can claim to fully reveal the essence of this complex, but from the point of view of our research, extremely important concept. The diversity of definitions, in many cases their sharp differences in content, and the lack of consensus among theorists regarding this concept create serious difficulties in solving scientific problems related to investment activities, and can lead to errors and shortcomings.

However, it is also worth noting that it is very difficult to give a single and complete definition of the concept of investment. This can be explained by the following. Firstly, the concept of investment is a broad, extremely complex economic concept. Secondly, investment reflects various processes that are dynamically interconnected. Thirdly, investment has its own characteristics in different parts of the science of economics and at different levels of practical activity (micro, meso and macro).

In macroeconomics, investment is part of the total cost, which consists of investments in new means of production, housing, and the growth of material reserves. Investment is a part of GDP that is not consumed by society in the current period and provides capital growth in the economy.

In production theory and macroeconomics in general, investment is the process of creating new capital (including means of production and human capital). In financial theory, investment is understood as obtaining income in the future through the targeted placement of real or financial assets.

Economic resources are a necessary condition for organizing and implementing the production of goods (goods and services) necessary for human survival and development. From the point of view of the selected research topic, it is important to describe in detail investment resources, their content, essence, significance and other important aspects.

First of all, it is important to understand the essence of the concept of "investment resources" and to reveal its content. The results of theoretical research show that the concept of "investment resources" is interpreted differently in various economic literature, which indicates that its economic content is not fully defined.

One or another aspect of investment resources is reflected in the scientific works of foreign researchers and domestic economists. A critical study of them showed that there are different approaches and points of view in interpreting the concept of "investment". It is natural that there are different views and opinions on any scientific concept, its essence. However, it is important to study them in depth from research points of view, to strive to get to the core of the issue based on scientific analysis.

Based on the study and analysis of the scientific sources devoted to the topic of our article, a scientific conclusion was reached that there are two different approaches in economics to determining the essence of investment resources. We would like to dwell on their content and essence separately.

According to the first approach, investment resources are interpreted as all types of financial assets involved in innovative objects. It is clear that in this interpretation, investment resources are considered as a type of financial resources. This approach is widespread among economists, where the main emphasis is placed on the financial aspects of investments. Such scientists include such economists as D.M. Keynes, Y.A. Schumpeter, D.A.



Yevdovskiy, V.A. Babushkin, N.A. Baturin, A. Martens, T.S. Kolmykova, A.S. Neshitoy, L.A. Zubchenko, Yu.I. Abulyan, D.G. Gozibekov, Sh.R. Fayziyeva, D.Kh. Aslanova, M.T. Alimova.

Russian economists L.S. Tarasevich, P.I. Grebennikov, A.I. Leussky, A. Neshitoy, L.A. Zubchenko, and Uzbek scientist D.G. Gozibekov explained the meaning of investment from the perspective of the first approach. For example, Russian economist A. Neshitoy interpreted the meaning of investment as follows: "It is a long-term placement of funds (capital) in various sectors of one's own or another country, aimed at implementing entrepreneurial projects, socio-economic programs, and innovation projects, in order to obtain profit or achieve other results."

Uzbek scientist D.G. Gozibekov interpreted the economic essence of investments as a financial category and defined it as follows: "The essence of investments is to obtain funds from clear and reliable sources, mobilize them reasonably, maintain the value of capital, taking into account the level of risks, and obtain the desired result." Another Russian economist described it as follows: "Investments manifest themselves as long-term investments of private or public capital in various sectors of the national and foreign economy in order to obtain profit (income)[12]. A similar definition can be found in the textbook published by L.A. Zubchenko: "The concept of investment means a long-term investment of capital, money in some enterprise, organization, long-term projects, etc. in order to obtain profit"[13].

According to the second approach to describing the content of investment resources, they are considered as all types of values (material, intellectual, labor and financial) that are invested in order to increase wealth. The definition of investments given by Russian economists G.S. Staroverova, A.Yu. Medvedev and A.V. Sarokina can be cited as an example: "Investments reflect all types of property and intellectual wealth invested in objects of the investment sphere in order to obtain economic profit and social effect"[14].

A similar, but much broader definition is given in the textbook "Investisii" ("Investments") published by Russian economists: "Investments are understood as the sum of certain expenses incurred in various sectors and areas of the economy, in entrepreneurial and other types of activity, in order to obtain profit (income) and achieve positive social effects, as well as the individual goals of investors"[15].

One of our local scientists, Prof. N.H. Khaidarov, gives the following definition of the essence of investments: "Investment is the spending of assets by individuals and legal entities operating on an entrepreneurial basis, regardless of the form of ownership, or the state, in any entrepreneurial object within the framework of the law, in order to obtain economic and social benefits"[16].

According to economist L.L. Igonina: "Investments are any means by which money can be stored, increased or placed with a view to ensuring a positive amount of income"[17]. It should be noted that the above definitions have achieved significant results in revealing the fundamental nature of investment resources. Because investments in a broad sense manifest themselves as the mobilization of funds and resources for the purpose of future growth and obtaining economic results or other planned results (social, environmental and other effects).

The definition of the concept of "investment" is also recognized at the level of current legislation. For example, the Law of the Republic of Uzbekistan "On Investments and Investment Activities" of December 25, 2019 defines investment as follows: "Investments are tangible and intangible assets and rights to them, including rights to intellectual property



objects, invested by an investor in the objects of social, entrepreneurial, scientific and other types of activity on a risk basis in order to obtain profit"[18].

Theoretical views on investment are widely covered in foreign literature. Foreign economists such as W. Sharp[19], K.R. McConnell, S.L. Brew[20] have presented various definitions of the essence of investment. Economists from Western countries view investments more as securities traded on the stock market. This is because in Western countries with highly developed economies, the main part of investments is embodied in securities, which play a leading role in financing their production. In contrast, in our country (and in other developing countries) the main part of investment expenditure falls on real investment expenditure, as evidence of this conclusion, we will cite some teachings.

According to the Swedish economist K. Eklund: "Investment is something that is postponed until tomorrow in order to have more consumption in the future. Part of it is consumer goods that are not used now and are left in reserve, and the other part is resources aimed at expanding production"[21]. Economists Campbell R. McConnell and Stanley L. Bruler interpret the concept of investment as follows, namely: "Investment is an increase in material reserves, the accumulation of means of production and costs for production."

In the authoritative literature of Western economists, scientific views on the need to distinguish between the concepts of "investment" and "capital investment" are of great importance, especially in our country for improving theoretical views on investments. The reason is that this concept is relatively new for us, and was included in the list of scientific terms at the end of the last century. As a result, under the influence of the complex economic situation and transformation processes, a clear idea and scientifically based views on the concept of investment have not yet been formed. At the initial stages of these processes, the concept of investment was perceived as the concept of traditional capital investments, which is well known to us. This created serious difficulties in solving urgent problems related to investment in production. As a result of equating investments with capital investments, investments were interpreted within the framework of the value in the process of reproduction of fixed assets.

As a result of the study of individual stages of this circular cycle, two different approaches were formed to determine the economic essence of investments. The first approach is based on viewing investments as expenses. The second approach interprets investments as means of reproduction of fixed assets. Both approaches are contradictory and require different approaches to investment processes. Here we have considered the problems of increasing the efficiency of investments.

According to the first approach, investments are considered as expenditures of economic entities aimed at reproducing, increasing and improving fixed assets. Thus, investment occurs before the start of production processes. In our opinion, such a situation entails a gross violation of the logic and sequence of the investment process, leading to an artificial reduction in the scope and content of investment. However, the investment process is a long-term process and is relevant for all stages of the circular movement of fixed assets.

The second approach interprets investments as means of reproducing fixed assets. In our opinion, it takes into account the continuity and logical sequence of investment processes. However, at the same time, in the resource-based approach, it denies the subsequent actions of capital to transform it into a product of investment activity.



In our opinion, from the above, we can conclude that in both approaches the statistical description of the object of analysis is late and reflects only one aspect of this complex concept: costs or sources of resources. This prevents it from being presented as a holistic process that reflects all aspects of investment activity. In our imagination, investment is inextricably linked with each other.

In the pages of foreign literature, one can find many very concise and at the same time meaningful descriptions of researchers regarding the term investment. Investment is also recognized as the abandonment of current consumption for the purpose of future growth of investment. Investment is the current increase in the value of capital investment that has arisen during the production period. The term investment is understood as the future growth of capital.

**Conclusions and suggestions.** It should also be noted that the study and analysis of scientific views on the concept of investment is not limited to generalizing and clarifying the content based on the study of existing approaches and perspectives on this issue today. Along with this important work, the relevance of theoretical research in this area is determined by the need to reduce the needs that naturally arise as a result of economic growth. In other words, it is necessary to apply completely new innovative methodological approaches to the economic essence of the term investment based on the requirements of the modern market economy. This is reflected, first of all, in the increasing complexity of economic relations between participants in the investment process, the increase in the types of investment sources, the expansion of investment markets and other objective processes.

We have summarized all the above-mentioned scientific views and opinions on the concepts of "investment" and "investment resources", and have tried to scientifically substantiate the aspects and specific features that should be taken into account when revealing their essence and content. We would like to explain them as follows:

**Firstly**, investment resources have the ability to provide a positive effect to the investor by actively participating in the processes of organizing and implementing the production.

**Secondly**, investment resources are unique in their variety of forms, and the possibilities of using each of them and the final results also differ sharply.

**Thirdly**, investment resources, as an object of market relations, participate in purchase and sale relations.

**Fourthly**, investment resources, as an important source of entrepreneurial income, are under the strong influence of the risk factor. In a market economy, an entrepreneur is not completely guaranteed from the risk of investment resources. Risk can range from losses to complete loss of invested capital.

In our opinion, the most difficult and difficult link in the successful implementation of the concept of the rapid development of tourism and its transformation into one of the leading sectors of the national economy, which is being implemented within the framework of the Action Strategy for the Development of Uzbekistan, is the provision of investment resources. The reason for this firm conclusion of ours is that there are two main conditions for the implementation of any positive concept aimed at economic growth: the possibility of implementing the concept, and the second is the availability of financial resources necessary for its implementation. Uzbekistan has sufficient tourist potential and favorable conditions for the rapid development of the tourism sector. However, the problem of attracting the



necessary investment resources to implement the concept of the rapid development of tourism in the country remains relevant.

We would like to cite the following as a basis for this conclusion:

- ✓ the underdevelopment of the tourism-oriented infrastructure (transport, social, engineering, information and communication, utilities) and the need to bring it up to the level of modern requirements;
- ✓ the quality of hotel services is not up to modern standards;
- ✓ the lack of highly qualified personnel to effectively manage the tourism industry, its enterprises and organizations, and to eliminate all problems and obstacles that arise in the process of their activity;
- ✓ the lack of a coordinated strategy for creating innovative products and ensuring their successful operation in the tourist services market.

Naturally, the elimination of the above shortcomings can be achieved at the expense of large investment costs. The rapid development of tourism in Uzbekistan is associated with the construction of modern roads, an airport, car parks, competitive means of transport, quality catering establishments, the formation of a market for souvenirs and antiques, the convenient location of hotels, an increase in the number of camping sites, tourist resorts and other tourist complexes. All this has further increased the demand for investment resources.

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