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Theoretical Approaches to Financing the Investment Activity of the Country through the Stock Market

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A B S T R A C T
The article describes the content of the stock market, specific aspects of investment activity, and its correlation with the country's economic growth indicators. Theoretical recommendations on the financing of investment activities through the stock market are given.

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Introduction.

At a time when the world stock markets are rapidly expanding, attracting investments through the stock market, introducing modern financial instruments in the securities market, improving the mechanism of financing investment activities at the expense of securities, minimizing the degree of risk generation of certain financial instruments, the initial risk signal used in investment banks (The importance of applying early warning signals) and safety nets in accordance with the stock market is increasing more and more.

From the first years of independence in our country, extensive work was carried out to form the national stock market and make it the basis of capital movement. The legal bases and infrastructure of the formation and development of the stock market have been fully created. However, it should be noted that today the country's national stock market is not able to fully fulfill its important task of distributing and redistributing monetary resources, i.e. effectively attracting investments. That is why the development of the national stock market is one of the priority tasks today. According to the priority direction of the development of the Republic of Uzbekistan, which was adopted in order to further increase the effectiveness of the reforms carried out in our republic, create favorable conditions for the comprehensive and rapid development of the state and society, modernize and diversify the economy, and liberalize all spheres of society, the priority direction of the development of the Republic of Uzbekistan development of the market in the medium and long-term perspective, that is, active attraction of foreign, first of all, direct foreign investments to the country's economy" is defined as one of the main directions. The fulfillment of these tasks shows the need to improve the financing of investment activities through the stock market in Uzbekistan.

The above circumstances serve to develop the infrastructure of the stock markets based on the requirements of the times, first of all, to ensure the high liquidity of the securities issued to these markets,

the level of market capitalization, profitability, capital increase.

Another characteristic feature of stock markets is their dependence on the level of risk. For this reason, it is necessary to analyze in depth the factors influencing the effective development of the infrastructure of the stock market and to study its specific features.

At the moment, stock markets and their efficient operation, their participants, and types of highly liquid securities with international status in circulation are important.The development of stock markets is directly related to the level of infrastructural development of the state, firstly, it leads to high-speed development by ensuring the integration of the national stock market into international stock markets, and secondly, it leads to the equalization of high liquidity and financial stability of commercial banks to international standards.

In the conditions of the market economy, the essence of economic concepts is further explored by scientists, experts in terms of debates, scientific-theoretical views, combined with the ideas of that time, their functions, principles, specific features, characteristic aspects, market segments and economic relations between their participants. scientific justification is being improved and brought into a single system, in accordance with the requirements of the time and fundamental factors, it is being developed on a scientific basis. In particular, the economic essence of stock markets has been created by economists who lived in different periods through their different ideas. However, each economic category is constantly improving on the basis of modern factors. The global stock market is also currently performing additional unconventional, modern, new and diverse functions. From this point of view, it is appropriate to study its economic nature in depth, taking into account the theoretical scientific views of several economists, current modern factors and other specific aspects.

Literature review.

It is known that the economic situation of any country depends on the activity of various financial institutions that exist and operate in it. Stock exchanges, banks, insurance companies, pension funds - all these are institutions that act as intermediaries (brokers) between buyers and sellers of various categories of money and debt, commodities, highly liquid securities and the like [2].

Financial instruments (as serving to increase the bank's capital, its liquidity, the level of capitalization of the market) are instruments that ensure the movement of financial resources from investors to consumers and vice versa.

Also, in the opinion of R. Khozhimatov, in order to ensure economic stability in our country and increase the liquidity of banks, it is necessary to develop the integration of highly liquid traditional bonds of commercial banks into stock markets and international markets. In order to ensure macroeconomic stability in our country, it is extremely important to increase the independence of the Central Bank transmission channels in order to increase the effectiveness of the transmission channels by switching to inflation targeting.

Ch. Kulmatov, who studied the modern trends in the development of the international capital market. and N. Toychiev, "the international capital market is a product of the process of financial globalization, which dramatically increased the economic efficiency of industrial countries on a global scale. However, it is now clear to everyone that this process has more negative than positive effects on the development of developing countries. This is because the economy of developing countries is more dependent on the economy of industrialized countries. [6].

In the economic literature, the stock market and the stock market are interpreted as concepts with the same meaning. Therefore, we believe that it is appropriate to first study the coverage of these concepts in the scientific works of economists-scientists who conducted research in different periods.

Many economists have conducted scientific research on the economic essence, necessity, classification of the capital market and its role in ensuring economic growth in the country. According to U. Azizov, one of the leading scientists of the field, the capital market plays an important role in attracting free funds of the population to economic sectors and increasing the flow of foreign direct investments. In turn, the fact that the stock market competes with the credit market as a component of the financial market creates a

unique competitive environment in the capital market. And the population will benefit from this because of the increase in economy and well-being [7]. According to another leading economist, professor S. Elmirzaev, cash, short-term means of payment, and short-term savings up to one year are organized in the money market. In the capital market, the circulation of "long money" is organized, in which mainly stocks and bonds are valid. The transaction period is more than one year. The main difference between the capital market and the money market is explained by the use of long-term investments [8]. Another economist, Kh. Khasanov, believes that the main criterion for determining the economic nature of the capital market is the interdependence of functions related to redistribution of capital between market participants and transformation of capital from savings to investments [9].

According to A.Shomirov, "some time ago, real assets were considered as the basis of profit or income, but today the term capital means mainly the assets of corporate structures in the form of money and securities. Therefore, it is reasonable to define the capital market as "an economic space where money and stock assets are traded"[12]. A. Shomirov describes the capital market structure as follows:

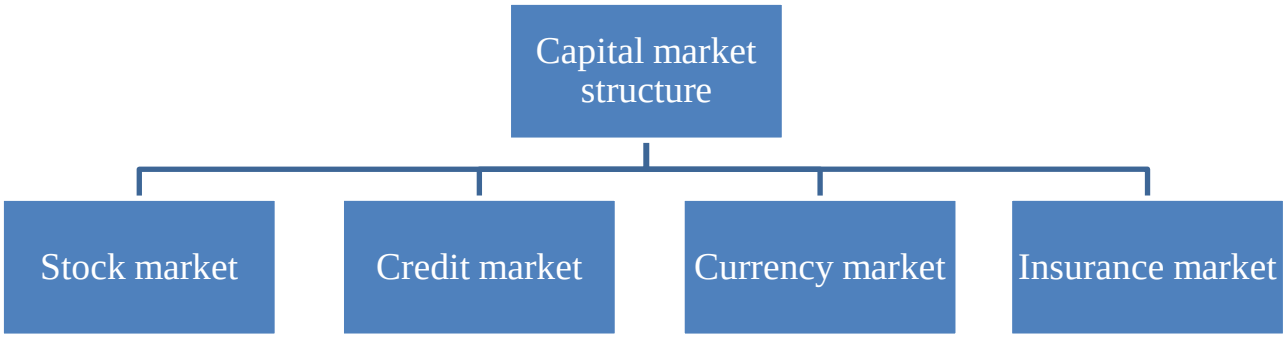


Figure 1. Capital market structure

Certain conditions must be created for capital market segments to operate effectively in the country's economy. The largest segment of the capital market is the currency market, because it carries out a large number of transactions. The foreign exchange segment serves foreign trade operations, and here the most speculative operations are carried out, which generate income from changes in the exchange rate.

The second largest segment of the capital market is the market of insurance services. Most of the income comes from insurance premiums. Companies that provide this type of service can be of various sizes, but the largest players are multinational companies. It serves the interests of the manufacturing sector as well as the household sector.

Another important segment of the capital market is the stock market. After all, the stock market is recognized as one of the most important sources of financing as a barometer of the economy [13]. It trades various types of securities, as well as derivatives - futures and options. This segment encourages depositors to more active investment activities and, most importantly, allows redistribution of funds. Representatives of the real sector often keep part of their financial assets in securities in order to obtain additional financial income. In addition, they use investment portfolios that allow them to spread risks and returns over different time periods.

Analysis and results.

Stock market performance around the world is constantly influenced by government intervention policies. In the first half of 2020, after countries around the world declared the COVID-19 pandemic, stock markets experienced unprecedented high volatility, even compared to levels during previous global financial crises (such as the 1930s, 1987 and 2008) and during the Spanish flu, SAPS and Ebola pandemics. (variability) noted [14].

Due to the fact that securities form a group with the largest and separate market, unlike other types of financial instruments operating in the financial market, its study requires a special approach.

Despite the fact that securities have already proven their importance, role and functions in the economy, there is still a heated debate about their content. Since the stock market is at the same time the object of market circulation and has the feature of giving obligations to the parties along with property and other

types of rights, it is appropriate to think about an integrated approach that includes both economic and legal aspects of this economic phenomenon when determining their economic essence.

The terms stock market and stock market are often used in economic literature and conversation. Economist E. Zhukov believes that "currently there are three markets of securities participating in the financing of the economy: over-the-counter, fund (exchange) and street market" [15].

Based on the above definitions, we believe that it is appropriate to consider "stock market" and "stock market" as concepts with the same meaning. At the same time, securities move on the stock market (stock market).

The stock market is a sector dealing with the issue of securities and their trading, and a set of financial relations on the circulation of securities. distribution, attracting investments of legal and physical persons, increasing them and ensuring the modernization of the economy by directing them to economic sectors [16]. Also, the stock market and the intermediaries operating in it are a component of the financial system and provide an opportunity to accelerate the process of redistribution of excess funds from investors to consumers.

Since the stock market is at the same time the object of market circulation and has the property of giving obligations to the parties along with property and other rights, it is appropriate to think about an integrated approach that includes both economic and legal aspects of this economic event in determining their economic nature.

In the stock market, the stock market collects idle funds, turns them into loan capital, and then distributes them among the participants of the production process (banks, enterprises, firms, as well as the population of the country). The stock market includes a set of banks, stock exchanges and other financial and credit institutions involved in the redistribution of money capital. The capital market, together with the money market, is a source of external capital for the sectors of the economy and the government, and forms the demand and supply for loan capital.

The capital market also deals with short-term securities of companies and the government. The capital market is attended by sellers and buyers of securities, specialized stock brokers, commercial and commercial banks, the central bank, pension funds, insurance companies, investment companies, industrial enterprises, foreign investors, enterprises, and organizations. There are international and national capital markets, depending on the sources and areas of inclusion (currency market, stock exchange).

The capital market performs two main functions:

a) primary market or new issue market, where the capital needed for investment and other purposes is formed by issuing new shares, bonds and other securities;

b) secondary market, in which transactions are carried out with existing securities. The secondary market facilitates the transfer of securities from sellers to buyers. The capital market occupies an important place in the financial system of the country and serves as a mechanism for turning the accumulated funds of the population into investments and investments into a portfolio of securities. "Tashkent" stock exchange, which has more than 200 brokerage offices in Uzbekistan, has been engaged in securities trading since 1994.

The capital market (stock market) as the main link of the financial system is an important factor influencing its stability and increasing the country's competitiveness. Therefore, in developed countries, it is widely used as one of the main means of attracting investment to the economy. After all, if the capital market does not develop, all efforts to create a competitive economy and increase investment activity will be ineffective. In this sense, it can be said that the decree of the President of the Republic of Uzbekistan dated April 13, 2021 No. PF-6207 "On measures for the further development of the capital market" has been an important step in the development of the capital market.

Any business entity, be it an individual or a legal entity, in most cases needs additional financial resources to carry out any business activity. We know that today, as a source of financing for many socio-economic projects, state funds or loans from commercial banks are the main support. Therefore, one of the main

tasks facing our government in the development of the financial market is the development of the capital market, in some sense, turning it into an effective element of the market economy and making it work. In this regard, the Decree of the President of the Republic of Uzbekistan No. PF-6207 dated April 13, 2021 "On measures to further develop the capital market" and the Decree of the President of the Republic of Uzbekistan dated January 17, 2022 "On measures to further develop the capital market" it is appropriate to refer to Decisions PQ-90 on additional measures to introduce effective mechanisms of support. These regulatory documents define the main directions of capital market development, which are as follows [17]:

- increase the competitiveness of the capital market and increase its capitalization to 45 trillion by the end of 2023. transfer to soums, create an effective financing mechanism that is an alternative to bank lending;
- increasing the convenience of the capital market for all categories of investors by active integration with international financial markets, wide use of modern information and communication technologies and the use of advanced approaches that have been successfully tested abroad;
- by ensuring the harmonious functioning of the capital market and the development of all its segments, by the end of 2023, within the framework of republican and regional investment programs, the portion of projects financed by issuing securities will reach 5%;
- introduction of advanced international practice in the field, creation of necessary conditions for active financing of investments aimed at development goals in the stock market by eliminating excessive barriers and restrictions;
- creating a legal framework that ensures the integrity of capital market regulation and prevention of systemic risks, introducing international criteria and experiences;
- development of the capital market's staffing system that meets modern requirements, creating attractive conditions for attracting promising, including foreign, specialists;
- training and re-training of industry specialists for the capital market, to systematically improve their qualifications;
- coverage of 40,000 people by the end of 2023 within the framework of programs to support the improvement of knowledge, skills and financial literacy of minority investors, other participants of the capital market.

Conclusions and suggestions.

The experience of developed countries shows that an efficient stock market is one of the factors that positively affects economic growth. A developed stock market allows companies to adequately assess and diversify risks in financing projects requiring large investments, and to attract funds effectively. In addition, the stock market can serve as an indicator of economic trends, which allows stakeholders (including the government) to develop and effectively implement their own strategies.

One of the main elements of the state regulation of the stock market is control over the implementation of the legislation on the stock market by its participants. It is necessary to methodically systematize the control elements in order to generalize the experience of the control bodies and the activities of the securities market participants. Based on the above, in our opinion, the system of state regulation of the stock market can be divided into indirect (direct) and direct methods [17].

As a result of the study of the process of transformation of the developing stock market into a developed market, the main economic, technical and political problems of this process were identified.

Economic problems include solving the problems of economic development, in particular, increasing the level of financial saturation of the economy, developing the collective investment system, and stabilizing macroeconomic indicators.

The analysis of developing and developed stock markets showed that the more saturated the economy with monetary resources, the higher the component of securities in economic turnover, the higher the capitalization of the stock market in relation to the GDP.

The development of the stock market directly depends on the policy of promoting economic growth, but developing countries do not always carry out the correct and competent policy. In modern conditions, the economic growth of the country directly depends on the dynamic integration of the goods and financial markets of this economy into the world markets, which in turn requires the liberalization of the markets. However, liberalization of the financial sector should be carried out in a proportionate sequence, taking into account the extent of market risk.

The technical tasks of transforming a developing stock market into a developed market include the following: providing the necessary infrastructure for effective integration into the world stock market and improving the legal framework regulating activities in the stock market. A problem common to many emerging stock markets is that developing countries typically lack the public and societal attention and support required to develop stock market infrastructure. Therefore, the development of the stock market directly depends on how relevant and important it is for the country, which is reflected in the desire and determination of the state. Also, the political support of the state is especially important in the form of protection of the interests of the national stock market in the international financial markets.

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