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Article

Innovative Approaches to Assessing the Effectiveness of Using Investment Resources in Regional Business Entities

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Abstract: This in the article territorial entrepreneurship in subjects investment from resources effective use issues Namangan province in the example of analysis will be done. Last in years economic liberalization, financial institutes activity increase and investment of the policy modernization small and middle business to the subjects investment resources attraction to grow opportunities expanded. However in practice investment of projects return level, capital rotation speed and from resources use efficiency regions in the section noticeable at the level difference is doing. In the research investment from resources use efficiency assessment for integral indicators system formed and dynamic analysis based on 2017–2024 between trends was studied. Also, small in business investment activity in evaluation profitability, investment profitability index (IRI), capital rotation coefficient and investment efficiency index (ISI) indicators applied. Results this shows that investment from resources reasonable use entrepreneurship of subjects financial stability increasing, regional economic activity strengthens and innovative to projects investment input for basis creates.

Keywords: Investment Efficiency, Entrepreneurship Subject, Capital Rotation Coefficient, Investment Profitability, Investment Resources, FDI, ISI Index, Financial Stability, Investment Environment, Regional Economy, Namangan Province, Small Business, Investment Activity, Economic Growth

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1. Introduction

Market economy under the circumstances entrepreneurship of subjects competitiveness and stable development their investment from resources reasonable and effective use to the ability directly Investments economic growth, innovation renewal, production release size expansion and employment increase main driver as confession [1]. International economic in practice investment efficiency level of the economy sustainability, technological development level and regional imbalances eliminate to grow mechanisms determinant the most important from factors one is considered. World According to the World Bank's Global Investment Competitiveness Report 2024 according to, foreign directly from 35 percent of foreign direct investment (FDI) excess small and middle to the business (SME) sector directed is, this indicator economic modernization and innovative potential in increasing FDI solution doer role confirms [2].

Investment activity efficiency not only investment to the size, maybe his/her economic return, work release efficiency and social to the effect is related. By UNIDO in the Industrial Development Report prepared investment efficiency high was in the

countries gross internal product growth 2.4 times the speed high that is [3] by OECD in 2023 take In the Investment Policy Review of Uzbekistan report, and investment from resources effective use for institutional management strengthening, transparency provide and territorial investment streams balancing necessity emphasized. This point in terms of investment activity efficiency principles based on management, resources use efficiency assessment and economic effectiveness measurement today's on the day not only theoretically, maybe practical in terms of also current to the point has become.

Until 2026 in the period Uzbekistan Republic of investment policy in the concept investment resources networks and regions in the section effective distribution, capital investments efficiency increase and investment activity digitization tasks [4] Also, Uzbekistan Republic Ministers Court Small business and private entrepreneurship to develop support, investment projects financial resources with provide and public - private partnership (PPP) mechanisms expansion through investment the environment further to improve [5]. This regulatory and legal basics national investment politics strategic directions investors, for legal guarantees strengthening, bureaucratic obstacles reduction and investment management modern digital mechanisms through improvement opportunity is giving.

Namangan province in the example of take visited analyses this shows that 2017–2024 during in the province investment 2.9 times the size increased although, districts in the section investments economic return and efficiency between noticeable differences available. Some in the districts foreign of capital high in volume attraction to be working of release technological to the update take arrived if, in others from capital use level low remains. This therefore, investment from resources use efficiency assessment for integral approaches — investment profitability (IRR), capital rotation coefficient (CAC) and investment efficiency based on the index (ISI) models implementation to grow necessary.

This of the article goal — Namangan in the province entrepreneurship of subjects investment from resources use efficiency analysis to make, investment return surveyor integral determining indicators (ROI, IRR, ISI) and economic efficiency to increase service doer scientific based offers working from the exit consists of. In the study international organizations (World Bank, UNIDO, OECD) methodological approaches and Uzbekistan Republic of investment to the policy related normative documents based on investment activity efficiency analysis to do methodology working Also, regional investment in the environment efficiency increase, capital resources optimization and entrepreneurship in subjects investment stability provide mechanisms offer will be done.

Literature Review

In the scientific analysis of the investment activities of business entities, the main attention is paid to the study of the efficiency of investment resources, the speed of capital turnover, investment profitability indicators, as well as their regional differential impact. The World Bank's Global Investment Competitiveness Report 2024 notes that global economic stability depends more on the efficiency of investments than on their volume, and differences in the quality of investment management between countries have a direct impact on GDP growth rates [6]. UNCTAD's World Investment Report 2024 notes that more than 40 percent of foreign direct investment (FDI) is directed to the small and medium-sized enterprise (SME) sector, and this segment has become the main pillar of the global economy in terms of sustainable economic growth and job creation.

Nguyen empirically models the direct impact of FDI flows on R&D in the SME sector in his article published on ScienceDirect. He found that when FDI increases by 1%, investment in innovation increases by 0.6%. This result confirms the “multiplier effect” of investment capital. Also, the analysis by Lee, Chernikov and Nagy shows that the main determinants of FDI flows for Uzbekistan are market size, political stability, transport and logistics system and the relative cost of labor [7].

Muneeb 's Small and Medium-sized Enterprises in Emerging Markets study identified internal governance quality, digital transformation, institutional trust, and financial stability as key determinants of the success of SMEs in emerging markets. According to him, effective investment policy is determined not only by attracting capital, but also by improving its redistribution and monitoring mechanisms. D'Ambrosio found in his empirical study in the context of Uzbekistan that a 1 percent increase in FDI inflows leads to a 0.8 percent increase in the number of newly established small enterprises, which confirms the multiplicative effect of investment inflows on the business environment [8].

Gyan published an article titled Boosting Local Startups and SMEs While Posing Challenges: FDI Impacts on Startup Businesses, which analyzes the dual nature of FDI on a scientific basis. According to the author, while FDI provides the introduction of innovative technologies, management experience, and international standards, in some cases, local small businesses are under competitive pressure due to the "crowding-out" effect [9]. In such situations, it is necessary to strengthen the protection of small businesses by the state through financial guarantees and cluster policies.

A study by Suyunov in the Journal of Economic Development found a positive correlation between FDI and bank lending in Uzbekistan, with employment in sectors with foreign capital increasing by 1.7 times. At the same time, a study by Otabaev highlights the positive impact of foreign capital on technological innovation and resource productivity in the manufacturing sector, but notes that the share of investment in small businesses remains low [10].

The Investment Policy Review of Uzbekistan, prepared by OECD , shows that although the investment management system has approached international standards, regional disparities in investment flows remain high, which reduces economic efficiency. UNIDO in its Industrial Development Report scientifically proves that the efficiency of using investment resources can be increased by 25–30 percent through the development of production clusters and digital transformation directions [11].

Analysis by Rakhimova shows that investment activity of small businesses in Uzbekistan relies mainly on credit resources, local budget programs and limited FDI flows, which leads to institutional barriers to attracting foreign capital. Jiyamuratov analyzed the level of economic return on investment projects in Uzbek business entities and found that 32% of them have a payback period of 3–5 years, and the average rate of return is in the range of 18–22%.

In addition, the OECD Eurasia Competitiveness Programme report notes the need to improve the investment climate in Uzbekistan by increasing institutional trust, creating legal guarantees for investors, and expanding the export potential of local producers [12]. The publication FDI and SME Development in Central Asia published by UNCTAD analyzes the direct relationship between FDI flows and the activities of innovative SMEs in Central Asian countries, including Uzbekistan, and notes that every 1 million US dollars of investment creates 40 new jobs.

The analyzed sources show that an integrated approach is necessary as a scientific basis for the effective use of investment resources. In international experience, this process is assessed through a "multi-component investment model", that is, a comprehensive analysis of the indicators of return on investment (ROI), capital turnover (CVR), and investment efficiency index (IIE).

2. Methodology

This study used a comprehensive, systematic and scientifically based approach to assessing and improving the level of effective use of investment resources in the activities of business entities. The methodological basis was based on the investment model of economic growth, the theory of capital efficiency (Solow-Swan), the concept of institutional economics and the theory of modernization. In the research process,

deductive and inductive analysis methods were used in harmony, moving from general theoretical foundations to conclusions at the regional and sectoral levels.

The study combined several economic models to assess the efficiency of investment activities: capital turnover ratio (CR) - a measure of output relative to investment volume; profitability index (RI) - a measure of the level of profitability of a unit of investment; investment efficiency index (ISI) - a composite indicator integrating export profitability, value added growth, and employment elasticity.

3. Results and Discussion

This part of the study provides an in-depth analysis of the efficiency of business entities in using investment resources in the Namangan region and its districts for the period 2017–2024. The analysis was modeled based on data provided in the reports of the State Statistics Committee of the Republic of Uzbekistan, the World Bank, UNIDO, and OECD, and the dynamics of economic indicators, sectoral and regional differences, investment profitability, and the level of economic return on capital were studied. In addition, the investment activity of the Namangan region economy in recent years, the share of small businesses in GDP, the growth rate of foreign capital, and the speed of capital turnover were statistically assessed. This analysis is aimed at determining the investment potential of business entities, measuring their level of resource utilization, and determining the impact of investments on efficiency in the regional economy [13].

The analysis was carried out on the basis of an integrated approach that allows for a systematic assessment of the investment climate of the region - namely, indicators such as the investment efficiency index (ISI), the capital return coefficient (IRR) and the capital turnover rate (KAT). Using this method, the economic relationship between investment activity, production profitability, export share and employment level was identified at the district level, and the impact of FDI flows on economic growth was assessed using econometric tools. The results show that the efficiency of investment resources is closely related not only to financial results, but also to the technological level of production, export diversification and human capital activity. Therefore, the tables and analyses presented in this section serve as a scientific basis for optimizing investment policy in the Namangan region [14].

The table shows the dynamics of changes in the volume of general and small business investments made in the Namangan region in 2017–2024. The table shows the annual differences in the growth rates of investment flows, the coefficient of return on capital (IRR), and the share of small businesses. Based on these indicators, the efficiency of using investment resources in the region, the speed of capital turnover, and the level of economic return on investment are analyzed on a scientific basis, see Table 1.

Table 1. Dynamics of investments in general and small business in Namangan region

Year	General investments, billion soum	SME investments, billion soum	Share of SMEs, %	Investment growth, %	Capital profitability coefficient (IRR)
2017	8 450	2,940	34.8	–	0.42
2018	9,800	3 620	36.9	15.9	0.44
2019	11,250	4 380	38.9	14.8	0.47
2020	12,950	5 180	40.0	15.1	0.49
2021	14,820	6 350	42.8	14.4	0.51
2022	16,600	7 610	45.8	12.0	0.54
2023	18,950	8 950	47.2	14.2	0.56
2024	21,300	10,430	48.9	12.4	0.58

Source: Author's development based on data from the Namangan Regional Department of Statistics

Between 2017 and 2024, investment activity in Namangan region increased significantly, with total capital investments increasing from 8,450 billion soums to 21,300 billion soums, i.e. by 2.5 times. During the same period, investments in the small business sector increased from 2,940 billion soums to 10,430 billion soums, an increase of 3.5 times. The expansion of the share of small business in total investments from 34.8% to 48.9% indicates that this sector is becoming the main investment driver of the economy. The average annual investment growth rate of 14–15%, especially the high dynamics observed after 2020, reflects the practical effect of liberalization of economic policy, tax incentives, and simplified lending mechanisms. The increase in the rate of return on investment (IRR) from 0.42 to 0.58 means that the economic return on investment has improved by 38 percent. This increase indicates that investment projects are becoming more technology-based and that production efficiency in small businesses has increased [15].

The results of the analysis show that the expansion of investment resources has significantly increased the production volume, employment rate, and export opportunities of small businesses. In 2021–2024, the investment activity of the private sector in the internal structure of the economy grew by an average of 1.3 times faster, contributing up to 45–47 percent to the regional GDP growth rate. This process affects economic stability in two ways: firstly, the redirection of investment capital to production funds and technological equipment has increased labor productivity; secondly, it has increased financial liquidity due to an increase in the capital turnover rate of small businesses [16]. Thus, the trends in Table 1 scientifically confirm that investment resources are distributed relatively evenly across sectors and regions, and the economic structure of the Namangan region has entered a stage of high stability in terms of investment efficiency.

Table 2. Indicators of use of investment resources by districts of Namangan region

District / City	Investment volume, billion soum	SME investment, billion soum	Employment growth, %	Export growth, %	Investment efficiency index (ISI)
Namangan city	5 260	2 480	18.5	26.0	0.86
Pop	3 240	1,540	17.1	24.0	0.82
Kasonsoy	2 970	1 480	19.3	27.5	0.88
Chust	2 560	1 120	15.9	22.8	0.77
Attic	2 120	940	14.5	21.5	0.75
Housekeeper	1,950	890	13.8	20.6	0.70
Turaqurgan	1,860	820	13.5	19.4	0.68
Yangikurgan	1 720	780	12.8	18.7	0.67
Narin	1,590	720	12.3	18.0	0.65
Mingbulak	1,530	710	12.0	17.5	0.63

Source: Author's development based on data from the Department of Statistics and the Department of Economics and Finance on economic indicators of the districts of Namangan region

By the end of 2024 according to Namangan of the province districts in the section investment activity results territorial differences with together economic specialization various level also shows. In the table cited to the information according to, most high investment efficiency index (ISI) Kosonsoy (0.88), Namangan city (0.86) and Pop (0.82) in the districts record This is in the regions investments mainly again processing, textile, agrocluster and logistics to the fields directed, capital economic return high was networks advantage is doing. Kosonsoy district export 27.5 percent of the volume, employment level of 19.3 percent growth with province average from the indicators high to the results achieved. This and investment of capital effective orientation and working of release innovative technologies based on organization that was done shows. Namangan city and

services sector, IT projects and transportation to the infrastructure included investments through high ISI value shaped [17].

This with together, Uychi (0.70), Turakurgan (0.68), Yangikurgan (0.67), Narin (0.65) and In Mingbulak (0.63) districts investment efficiency relatively low is, this in the regions technological update, personnel qualification and infrastructure shortage the existence This means in the regions small business enterprises investment from resources mainly turnover capital filling or short term financial needs cover for used, as a result of capital working release to the funds conversion slow Regions ISI indicators by and export growth between correlation (r = 0.84) investment of resources external markets with integration level determinant main criterion that it is confirms. This due to low ISI index has in the districts investment politics diversification to do, to work release clusters formation and foreign capital for tax reliefs create through investment economic return increase necessary. In general taking, the results in Table 2 Namangan in the province investment efficiency regional imbalance define, economic management territorial redirect necessity scientific basically shows.

Table 3. The relationship between investment and economic growth in Namangan region in 2017–2024.

Year	General investment growth, %	GDP growth, %	Share of SMEs, %	FDI volume, million USD	Correlation coefficient (r)
2017	–	4.9	35.0	180	–
2018	15.9	5.4	36.1	210	0.74
2019	14.8	5.9	37.8	240	0.77
2020	15.1	6.1	39.5	260	0.79
2021	14.4	6.4	41.2	330	0.82
2022	12.0	6.8	43.0	390	0.85
2023	14.2	7.1	45.6	460	0.86
2024	12.4	7.4	48.0	520	0.88

Source: Author's development based on data from the Department of Statistics on Economic Indicators of the Districts of Namangan Region

2017–2024 between Namangan in the province investment size and economic growth between mutual dependency noticeable at the level increased. Table 3 to the information according to, general investments growth pace an average of 14.4 percent organization this is period during of the province gross internal GDP growth from 4.9 percent to 7.4 percent raised. Small business In GDP share from 35 percent to 48 percent expanding, economic growth main to the driver has become. This with together, foreign directly Investment volume (FDI) 180 million USA 520 million dollars up to a dollar increased by 188 percent realistic growth was observed. This growth economic modernization, export directed networks development and working release of capacity expansion with directly related. Correlational analysis as a result investments size with economic growth between dependency The coefficient r = 0.88 it is determined that investment activity GDP to grow strong positive impact showing confirms [18].

This results Namangan province in the economy investment of capital working release to networks relatively high effective directed shows. FDI flow increase employment and export potential increase with one in line working of release technological update accelerated. Every 1 percent investment to grow relatively employment by 0.65 percent, exports and on average 0.8 percent increased. This and capital investments economic activity encouraging many factorial to the effect has that it is This means with together, after 2021 observed GDP stable growth pace investment from resources effective use, small business in subjects financial discipline increase and regional investment politics institutional improvement result as interpretation will be done [19].

Analyses results this shows that Namangan region in the economy investment activity systematic and step by step stabilization on the way past. General trends from that evidence investment from resources use efficiency only investment to the size not, maybe their quality composition, technological level and economic return indicators Depends.[20] In the region small business investment in processes share increasing, investments working of release modernization, employment expansion and export diversification positive impact showing. With this together, districts in the section efficiency differences preserved remaining is, this situation investment management territorial differential basically take to go necessity shows [21]. In general received, held analyzes in Namangan region investment the environment strengthening, innovative projects expansion and economic from resources reasonable use in the direction of forming stable trend scientific in terms of justifies.

4. Conclusion

Research results this shows that Namangan in the region 2017–2024 during entrepreneurship subjects in the activity investment from resources use efficiency consistent growth in the direction of formed. General investments 2.5 times the size, small to business directed investments and 3.5 times increased capital profitability coefficient (IRR) from 0.42 to 0.58 It is raised. results province in the economy investment management system improved and small business economic stable share is being strengthened shows.

First, Namangan in the province investment activity last 14–15 percent in years surrounding average annual growth pace save remaining without, small business sector general in investments share from 34.8 percent to 48.9 percent expanded. This and the SME sector economic growing main to the driver that has become confirms that SME investments fast growth working release size increase, capital rotation speed and benefit margin improved.

Secondly, by the end of 2024 according to the most high investment efficiency index (ISI) Kosonsoy (0.88), Namangan city (0.86) and Pop (0.82) in the districts record This was done. in the regions export annual growth 25–27 percent in the range, employment and 17–19 percent between grew. This The reason is capital. technological high level to projects directed and working of release for export directed in segments from resources effective used with explained.

Third, investment size and economic growth between of dependence correlational The coefficient is r = 0.88, which is investments GDP to grow directly and strong positive impact showing confirms. 2017–2024 during province GDP growth rate from 4.9 percent to 7.4 percent raised, small business In GDP share and from 35 percent to 48 percent expanded. This results capital of resources economic in the system effective circulation, production release of capacity expansion and regional economic integration that it has increased means.

Fourth, low investment efficiency observed in the districts of Uychi (0.70), Naryn (0.65) and Mingbulak (0.63) — investment politics diversification to do necessary. This in the regions technological update level low, productive release infrastructure limited and foreign capital flow enough not. That's why for public - private partnership (PPP) mechanisms expansion, innovation clusters create and tax reliefs through investment flow encouragement important importance profession will reach.

Fifth, investment efficiency in evaluation integral indicators — profitability index (RI), capital rotation coefficient (CAC) and investment efficiency index (ISI) — basic analytical tools as application They must. not only investment the size, maybe investment economic return, work of release technological update and to employment the impact complex in a way assessment opportunity gives an ISI index of up to 0.88 rise investment activity efficiency increased and from resources use mechanisms improved confirms.

From the sixth, taken results based on following practical recommendations working output: regional investment agencies analytical powers with reinforcement; low effective in the districts state guaranteed investment funds organization foreign investors for currency hedging and risk insurance system current to be; one window "digital" investment platform through permit processes by 25 percent reduction; investment efficiency index (ISI) region level strategic assessment to the system input. In general Overall, in 2017–2024 analyses this shows that Namangan in the province investment from resources use efficiency not only economic growth, maybe social prosperity and regional stability provider important to the driver has become.

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