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Dr. P. S. Bhadouria

ECONOMIC EVALUATION OF THE POSSIBILITY OF FINANCIAL RESTORATION OF INDUSTRIAL ENTERPRISES

O.I.Begmullaev[1]

ABSTRACT

The procedure for assessing the impact of a system of measures for financial recovery, the procedure for choosing the optimal system of measures for the financial recovery of an enterprise, the possibility of successfully implementing measures for the financial recovery of industrial enterprises .

Key words: *economic assessment, financial recovery of industrial enterprises, efficiency, liquidity, assessment of the solvency of an enterprise.*

From our point of view, it is possible to propose a method for managing the financial recovery of an enterprise, which is based on the impact of financial recovery measures on indicators that assess the financial condition of an enterprise and the subsequent ranking of these events.

The essence of the proposed method of managing the financial recovery of an enterprise is to model the impact of financial recovery measures on particular indicators of a comprehensive assessment of the financial condition of an enterprise. Private indicators are indicators that characterize the financial condition of the enterprise, which are included in a comprehensive assessment of the financial condition of the enterprise.

Private indicators can be selected based on the need to assess the solvency of the enterprise, its financial stability and investment efficiency, performance.

Examples of private indicators for assessing the financial condition of an enterprise can be:

- Indicator of current liquidity;
- Indicator of the ratio of borrowed funds to own (shoulder of financial leverage);
- Ratio of assets and revenue, etc.

The technique consists of two procedures:

1. The procedure for assessing the impact of the system of measures for financial recovery on the indicators for assessing the financial condition (Fig. 1.)

2. The procedure for choosing the optimal system of measures for the financial recovery of the enterprise (Fig. 2.)

First, the value of private indicators (hereinafter referred to as the base value) of a comprehensive assessment is calculated without taking into account measures for financial recovery. The value of private indicators is calculated according to external financial statements.

For each of the measures, the magnitude of the impact of a specific financial recovery measure on a particular indicator of financial condition assessment is determined. That is, each of the presented measures

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will affect the numerator and denominator of the corresponding private indicator for assessing the financial condition of the enterprise.

Next, a new value of each particular indicator is calculated, taking into account the impact on it of the considered measures for financial recovery.

Thus, we determine the value of the change in a particular indicator as a result of applying a certain measure. When convolving private indicators and determining a complex indicator, we get the corresponding change in the complex indicator.

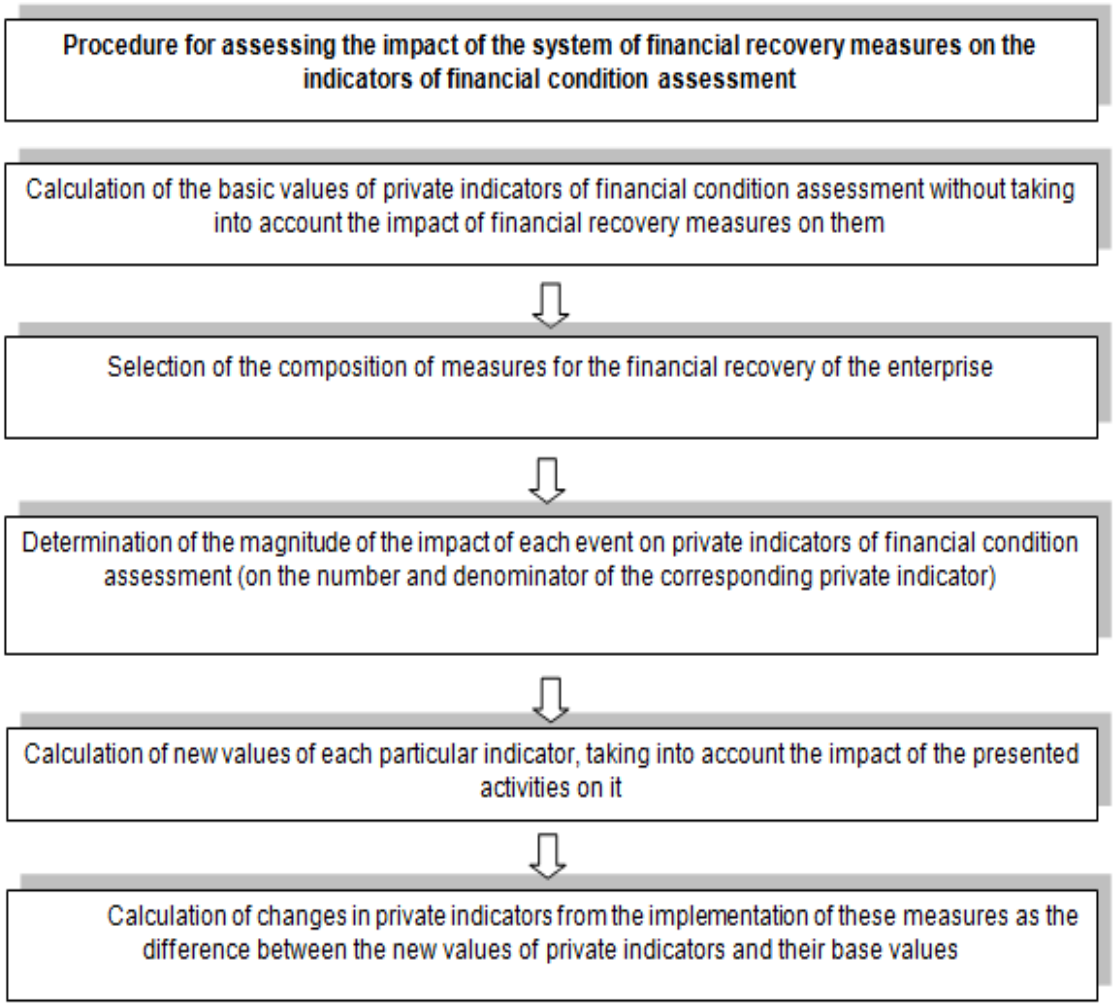

Figure 1. The procedure for assessing the impact of the system of measures for financial recovery on the indicators for assessing the financial condition

Source: compiled by the author

According to the results of the calculation according to the procedure described above, for each of the activities, we rank the activities according to the criterion of their maximum impact on the complex indicator.

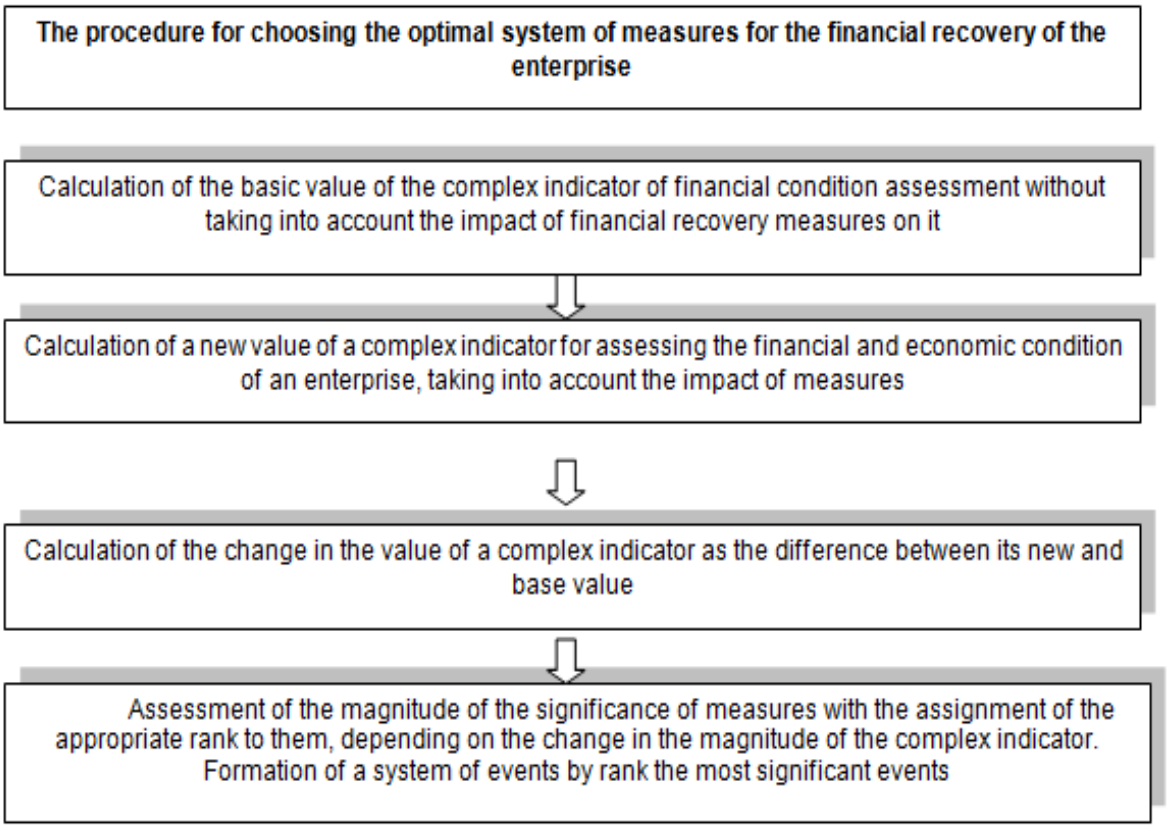

Figure 2. The procedure for choosing the optimal system of measures for the financial recovery of the enterprise

Source: compiled by the author

It should be borne in mind that the essence of the proposed method is not to select a specific complex indicator of specific measures, but to determine the impact of the measures that are supposed to be applied to improve a particular enterprise on financial indicators. At the same time, the indicators themselves can be selected based on the specific conditions of the enterprise.

Consider the application of the methodology for a complex indicator, consisting of one private indicator of the current liquidity ratio (Ktl .) and two measures for financial recovery:

- Sale of non-current assets;
- Decrease in the level of receivables;

If before the implementation of the financial recovery measure, the current liquidity ratio was Ktl, then after the implementation of the measure it will be $_{Ktl\ 2}$.

Ktl $_{1}$ \u003d OAU,

Ktl $_{2}$ \u003d (OA + DOA) / (0 + DO),

where oa ,O the value of current assets and short-term liabilities of the enterprise before the implementation of measures for financial recovery, sum.,

ΔOA, ΔO - change in current assets and short-term liabilities of the enterprise due to the implementation of measures for financial recovery, sum.,

Obviously, the implementation of any financial recovery measure will affect the dynamics of the current liquidity ratio through the variables ΔOA, ΔO.

1. Sale of non-current assets:

In the process of selling non-current assets, their balance (stock) decreases= and the value of current assets increases due to the receipt of cash.

Proceeds from the sale of an object of non-current assets - Vrvn . From the proceeds received, value added taxes (VAT) and income taxes (NPT) must be paid, which must be repaid from the proceeds.

In this way:

ΔOA= Врн ,

ΔO =Nnds , Npr

$\Delta Ktl = Ktl_2 - Ktl\ 1 = (OA + \Delta Врн\ v\ \Delta Nnds - \Delta Npr / O + \Delta Nnds + \Delta Npr) - OA / O$

2. Reducing the level of receivables:

In the event that the level of receivables becomes too high, its reduction is considered as a financial recovery measure. For this, the company needs additional efforts, for example, the revitalization of the sales departments.

The effect of the decrease in the level of receivables is expressed in the growth of proceeds from the sale of products and, as a result, in the growth of retained earnings, income tax and VAT.

ΔOA = Pner ,

ΔO =Nnds , Npr

$\Delta Ktl = Ktl_2 - Ktl\ 1 = (OA + \Delta Pner - \Delta Hnds - \Delta Npr) / (O + \Delta Nnds + \Delta Npr) - OA/O$

Applying this methodology for indicators calculated according to the external financial statements of a particular enterprise, we are able to rank the activities and determine the most significant activities for the implementation of the financial recovery of the enterprise, which in turn will allow the enterprise managers to develop an algorithm of actions to bring their enterprise out of the crisis.

Thus, the possibility of successful implementation of measures for the financial recovery of an industrial enterprise is determined by the following main parameters:

1. Positive financial result (profit) from the main production and other activities of the enterprise.
2. Excess of income over expenses (surplus of funds - positive cash flow) based on the results of the implementation of measures provided for by the financial recovery plan.
3. Restoration of solvency and financial stability.

4. Repayment of debts to all creditors and the ability to pay off monetary obligations and mandatory payments in full.
5. Return of the amounts of attracted investments and interest on them.
6. Efficiency of economic activity - sufficient availability of working capital, acceleration of the turnover of funds, strengthening of contractual discipline, security of the portfolio of orders, search for new niches, development of innovations, etc.
7. Growth of the competitive advantages of the enterprise, the level of competitiveness of products, demand and positioning in the market.
8. Economic and social effect. These are the growth of production volumes (gross product), the growth and stability of revenues to the budgets of all levels and state off-budget funds, the growth and stabilization of the number of people employed in production, the training and retraining of personnel.

The proposed methodology is based on the following principles:

- Focus on effective financial recovery through the formation of analytical information with a high degree of usefulness. The usefulness of information is , in our opinion, the ability to achieve certain goals with the least effort, in this case, to justify financial recovery measures. For this purpose, financial statements are inflated, prepared in accordance with IFRS, a management balance sheet is drawn up with a detailed breakdown and regrouping of assets according to the degree of liquidity, and liabilities - according to the degree of urgency of payments, taking into account industry specifics, management reporting formats are created;
- Orientation to the real financial and economic conditions of the functioning of the organization (the principle of accounting for external factors). This principle is implemented in the methodology by taking into account changes in the economic situation, that is, the parameters of the external environment that have a particularly strong influence on the stability of the organization;
- Substantiation of professional judgment on the degree of insolvency. An assessment of the probability of bankruptcy of a particular organization is a correctly formulated professional judgment of an analyst, based on taking into account specific circumstances and external and internal factors affecting the enterprise, features of the organizational structure, location;
- Development of incentives to reduce own costs and overdue debts, increase profitability. This principle is implemented by introducing the relevant characteristics into the system of estimated indicators: the ratio between the amount of marginal income and the amount of variable costs, accounts payable turnover, profitability, etc.

Speaking about the directions of the recovery of an insolvent enterprise, the ways and methods of its implementation, it should be noted that it should be carried out on the basis of economic feasibility and efficiency. An analysis of possible directions for restoring the economic viability of enterprises clearly shows that the process of rehabilitation is closely and inextricably linked with the restructuring of production systems in its various manifestations.

In conclusion, we emphasize that the assessment of the possibility of financial recovery of insolvent enterprises is a systematic, ongoing process of studying the sustainability of enterprises in a market environment to ensure timely financial and economic recovery. Its essential characteristics are not only monitoring, evaluation and forecasting the stability of the enterprise, but also the generation of recovery options, which generally forms a continuous closed cycle of analytical work at the enterprise.

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INNOVATIVE ENTERPRISES USE IN INDUSTRIAL ENTERPRISES

KhASANOVA NIGORA ASKAROVNA[1]

ABSTRACT

The use of innovative processes in industrial enterprises, the stages of the application of innovative processes by enterprises are analyzed. On the basis of statistics, the enterprises using innovations are analyzed. The activities of enterprises and their use of innovation processes are also analyzed. Also, according to the analysis, the results of innovation of enterprises were discussed.

Keywords*. innovation, industrial enterprises, innovation stages, entrepreneurship, marketing, idea,*

Introduction

The use of innovations in industrial enterprises is a topical issue today and forms the basis of the company's activities. One of the important factors in increasing economic efficiency is the attraction of innovations to industrial enterprises and the creation of a continuous system of income from them, new technologies and training. Also, the use of new technologies and new services by enterprises has been developing over the years.

It is known that today enterprises are in different forms and their type of activity is also different. This requires some external factors to be taken into account in the statistical analysis. There is a huge difference in the use of innovations by industrial enterprises and the introduction of innovations. Research to analyze these differences and reduce the gap between them is very important.

Review of publications on the subject,

"Innovative development of industrial enterprise: assessment and perspectives" [7] discusses the components of innovative development, which are analyzed using appropriate models. The necessary conditions for the implementation of innovative processes in the industrial enterprise have been studied. Innovative activity based on innovation parameters was studied and opinions were expressed by the author. The article analyzes the innovative activities of enterprises as part of the definition of innovative development strategy and concludes with relevant conclusions.

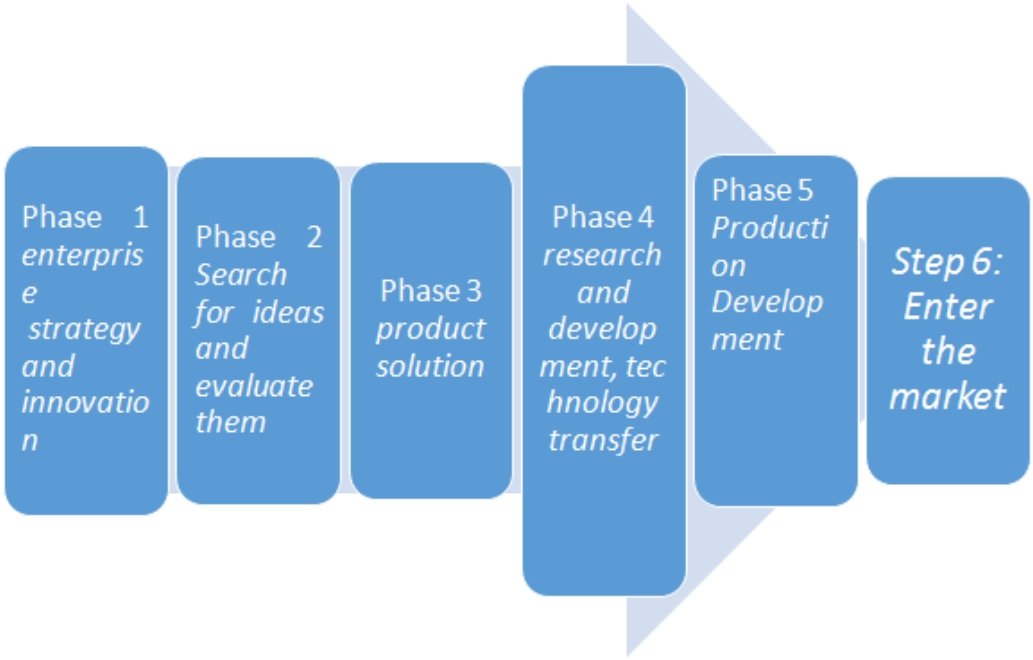
"A Case Study on R&D Investment of Technology-Intensive Private Enterprise in Sichuan Province of China" published on the basis of SCOPUS by W. Zhen, J. Li, M. Zhang, Z. Zhang, Y. Helar . (Practical Research on Technologically Intensive Private Enterprise Research and Investment in Sichuan Province, China) [6] Currently, private enterprises in Sichuan Province, China, face the problem of "weakness and lack of resilience in innovation". Theoretically, this article has contributed at the micro level to the literature on "innovation chain" and "research and investment in technology-intensive enterprises". From a practical point of view, this article provided a reference for government decisions on R&D and investment activities that are useful in terms of improving the independent innovation capabilities of technologically intensive private enterprises in Sichuan Province.

[1] Senior lecturer, Department of Economics in ICT, Tashkent University of Information Technologies named after Muhammad al-Khwarizmi,

A.V. Platonova, A.I. _ Afonichkin, E.V. Pustinnikova, I.S. Pinkovetskaya, In VV Baklushinsky 's article "The model of mutually beneficial cooperation of industrial enterprises in the conditions of innovative development" [5] , published on the basis of SCOPUS, the authors present their views on the model of formation of mutually beneficial cooperation between. Methodological approaches to the classification of groups of industrial enterprises in the context of innovative development were considered. Sectoral characteristics (by type of economic activity) are disclosed for each identified group of industrial enterprises.

Innovations have their own life cycle, from the emergence of a new idea to the introduction and approval of a new product on the market. In this cycle, six typical stages can be distinguished by characteristic activity, decision-making situations, and outcomes for each. Stages, as a rule, follow each other, but cases of some parallelism (and therefore intersection) of separate Stages are not excluded. Thus, the evaluation and calculation of economic efficiency should be done not only at the stage of searching for ideas, but also at subsequent stages. The process of research and development and the development of new solutions in production, on the one hand, bring the product to market, on the other hand, the repetition of certain tasks occurs both temporarily and meaningfully.

Figure 1. Stages of innovation



Each stage of the innovation process requires a huge amount of money over time. The task of innovation management is to manage the process in an optimal way using the necessary resources. The table shows the approximate distribution of total costs for innovative projects in small and private enterprises. Studies show that these enterprises underestimate the final stage - market entry costs. Also, the cost of reproduction of intellectual property, valued as the most effective method of valuation of intellectual property in innovative processes, is taken into account at current prices, minus depreciation. the cost approach method is disclosed [9].

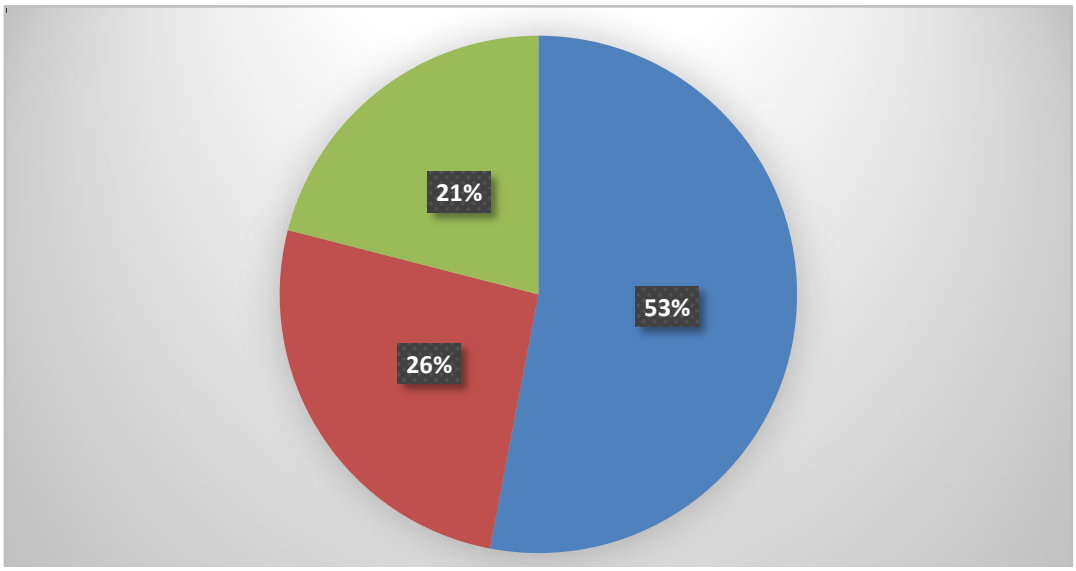


Figure 2. Distribution of innovation process costs

The data show that 53% of the costs of innovation processes go to the creation of innovations.

It should be noted that the innovation process cannot be seen as the result of more or less random technical inventions or other entrepreneurial ideas. Rather, it requires strategic planning and market-oriented management. “It is known that the basis of the efficiency of the modern national economy, along with natural and labor resources, is the country's innovative potential. Its use opens up a wide range of opportunities to ensure macroeconomic stability, ensure the competitiveness of the real sector, increase the technical and technological level of leading industries and the introduction of modern management methods. These opportunities are manifested, first of all, in fundamental research, scientific innovations, new knowledge, modern information technologies and service methods ”[4].

Table 1. Use of innovations in enterprises[1]

	2015 y.	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.	Average 2008-2020
Number of enterprises and organizations implementing innovations	935	933	1023	1024	1587	1217	9038.4
the number of innovations implemented	1819	1906	2046	2558	4689	4290	22728

[1] Analyzed by the author on the basis of statistical data.

As can be seen from the table, it is important for enterprises to attract innovative processes and increase efficiency through them. According to statistics, 268 technological innovations were introduced in industrial enterprises in 2008, while in 2009 it dropped to 140, in 2010 to 145, and in 2012 to 164. At one time, the decline in technological innovation was directly related to the financial crisis of that period, in which the export and import relations of foreign countries were experiencing a period of crisis. The economy of Uzbekistan is directly dependent on the use of innovative technologies. According to statistics, these figures led to an increase in 2012 to 725, in 2015 to 894, and in 2020 to 1,148.

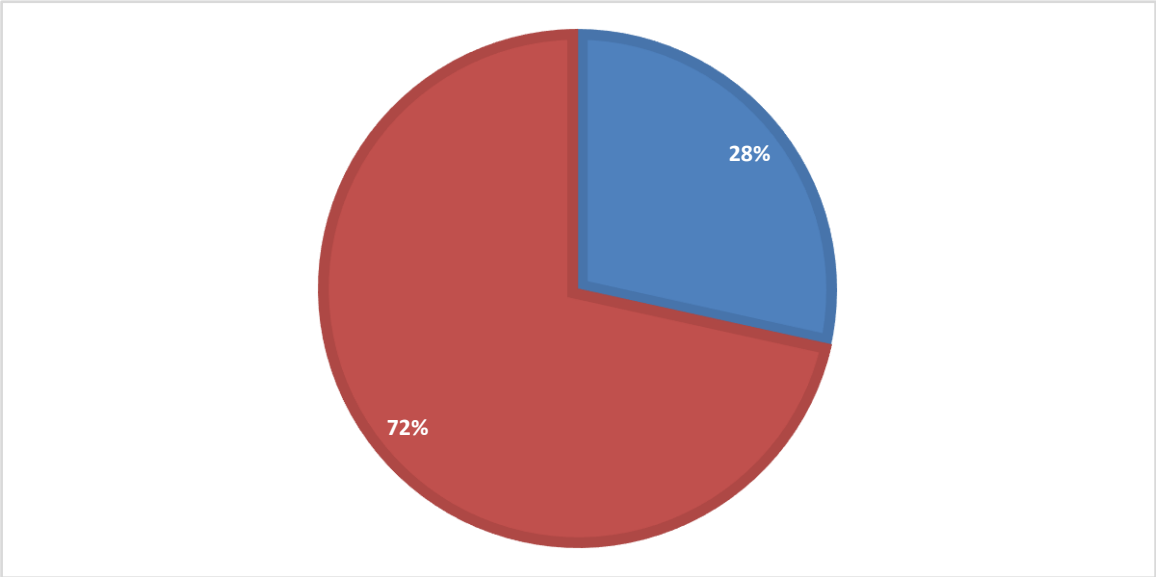


Figure 3. The share of the use of innovations in enterprises relative to total innovation

According to statistics, we can analyze that only 28% of the implemented innovations are implemented in practice, or the same percentage of enterprises are implementing innovations.

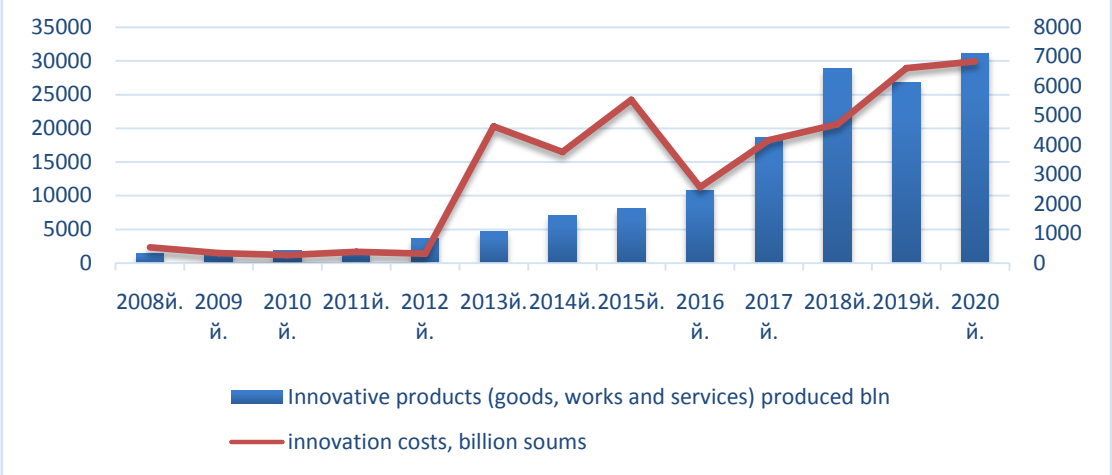


Figure 4. Innovative products and costs[1]

[1] Developed by the author based on statistical data.

Analysis of the creation of innovative products and the cost of innovation shows that the number of innovative products and services created in 2008 amounted to 1325.1 billion, while the cost of innovation amounted to 521.5 billion. sum. This is an average of 2.5 times less.

According to the analysis, in 2020 the number of innovative products and services increased by 31142.8 compared to 2008, or 29817.7. Innovative expenditures also exceed 6308.5 billion soums.

Figure 5. Number of enterprises and organizations implementing innovations

Statistics show that innovations are technologically, marketing-oriented and organizationally engaging

Figure 6. Number of innovations implemented.

The data show that over the years, the number of technological innovations has been gaining ground. This is due to the high level of technological involvement of innovations in enterprises and organizations of the republic.

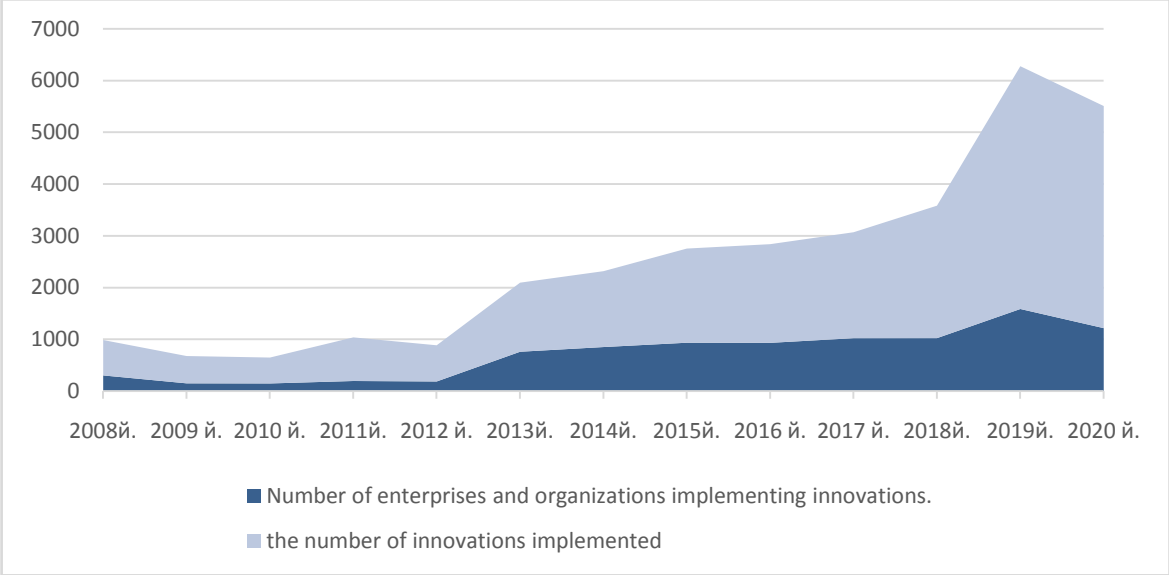


Figure 7. Number of innovations and enterprises implemented[1]

As can be seen from the picture above, the rate of innovation implementation is lower than the number of innovations. This is a big difference, especially in 2019. “The features of state regulation of innovations in Uzbekistan and the development of innovative processes in the economy allow for the effective use of scientific and technical potential. As a result of reforming this process, enterprises will be provided with modern types of technologies and will specialize in the production of new products. This will lead to the expansion of the domestic market of goods and increase the volume of innovative products in the GDP of the country "[8]

Conclusion

In conclusion, it should be noted that today the number of enterprises involved in innovation processes is not very high.

The fact that enterprises do not pay much attention to attracting innovations shows that most of the ideas remain only on paper. As a result, low results are observed in the production and services of enterprises, especially in export relations. Measures developed against such results lead to the development and improvement of innovation processes in industrial enterprises.

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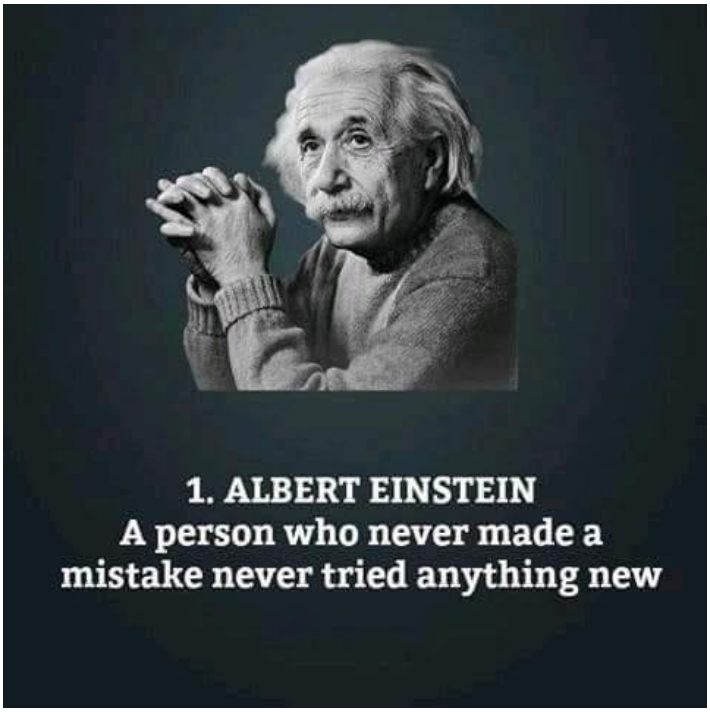

IMPROVEMENT OF MANAGEMENT INSTITUTIONS FOR SUSTAINABLE DEVELOPMENT OF THE FEC OF REPUBLIC OF UZBEKISTAN

Allaeva Gulchekhra Zhalgasovna[1]

ABSTRACT

The article explores the ways to improve the institutions for managing the sustainable development of the sectors of the fuel and energy complex of the Republic of Uzbekistan. The accents in the intra-sectoral policy of improving the management of sustainable development of fuel and energy enterprises are considered. A model for improving the management of sustainable development of enterprises in the fuel and energy complex is proposed. Scientifically substantiated proposals for the efficient and safe sustainable development of the sectors of the energy sector of the national economy have been developed.

Key words: *energy security, economic security, sustainable development, digital economy, nuclear energy, renewable energy sources, energy saving, energy efficiency, fuel and energy complex.*

Introduction.

The analysis and evaluation of the effectiveness of managing the sustainable development of enterprises in the fuel and energy industry allows us to develop a number of proposals aimed at improving it. Naturally, it is necessary to take into account the continuity of the development of management systems, the current status of which was determined by the directions and dynamics of economic reform in the country. It is clear that the fuel and energy industry has been developed according to these priorities and directions, taking into account industry specifics.

Literature review.

Various aspects of improving the institutions for managing the sustainable development of the fuel and energy complex of the Republic of Uzbekistan were studied in the scientific works of foreign economists such as D.Th.Bruijen, T.Odum Howard, M.Patterson, DWPearce, JJWarford, S. Reider, R .Wasserstrom[2] . When studying these relevant problems, a number of scientists from the CIS countries, such as S.N. Bobylev, A.Sh. Khodzhaev, A.S. Astakhov, E.Ya. Dikolenko, I.V. Kharchenko, V.I. Danilov-Danilyan, K.S. Losev, S.Yu. Yakovlev achieved high theoretical and practical results in their scientific research.

[1] DSc, Associate Professor, Acting professor, Department "Economics and management of industry", Tashkent State Technical University named after Islam Karimov

[2] Bruijen D.Th. Pollution prevention and industrial transformation: evoking structural changes within companies // Journal of cleaner Production 8(2000) - № 3. - p. 215-233Odum Howard T. Simulation and evaluation with energy system blocks // Ecological Modeling. - 1996. - № 93. - P. 155-173.; Patterson M. Commensuration and theories of value in ecological economics // Ecological Economics. - 1998. - № 25. - P. 105-125.; Pearce D.W., Warford J.J. World without end: economics, environment and sustainable development. - Washington, D.C.: John Hopkins University Press, 1993.; Pearce D. Blueprint for Green Economy/I.D.Pearce et al. - London: Eartscan Publications LTD, 1990.; Wasserstrom R., Reider S. Oil firms in environmentally sensitive areas learning to balance stakeholder interests // Oil & Gas Journal, 18/VIII, 1999.

Some aspects of studying the general problems of increasing efficiency by ensuring the sustainable development of production activities and products of industries in Uzbekistan have been studied in the research works of domestic scientists, such as I.I. Iskanderov, S.S. Gulyamov, S.R. Alimkhodzhaev, E.R. Bikeyeva, A.A. Zakirov, Sh.E. Zokirov, M.A. Makhkamova, N.M. Makhmudov, K.R. Melkumov, M.Kh. Saidov, Kh.M. Saidakhmedov, B.T. Salimov, F.Ya. Umarov, B.Yu. Khodiyev[1]

Research methodology.

Various types of analyzes were used in the article: heuristic and expert evaluation, statistical grouping, correlation, economic-statistical, graphical analysis and other methods.

Analysis and results.

For a more detailed study of the main directions of sustainable development of enterprises in the fuel and energy complex, we personalize our research. That is, we will focus our research on any one branch of the fuel and energy complex. It seems to us more interesting to analyze the sustainable development of oil and gas industry, since this industry is more amenable to negative impacts, both internal and external, than other sectors of the fuel and energy industry.

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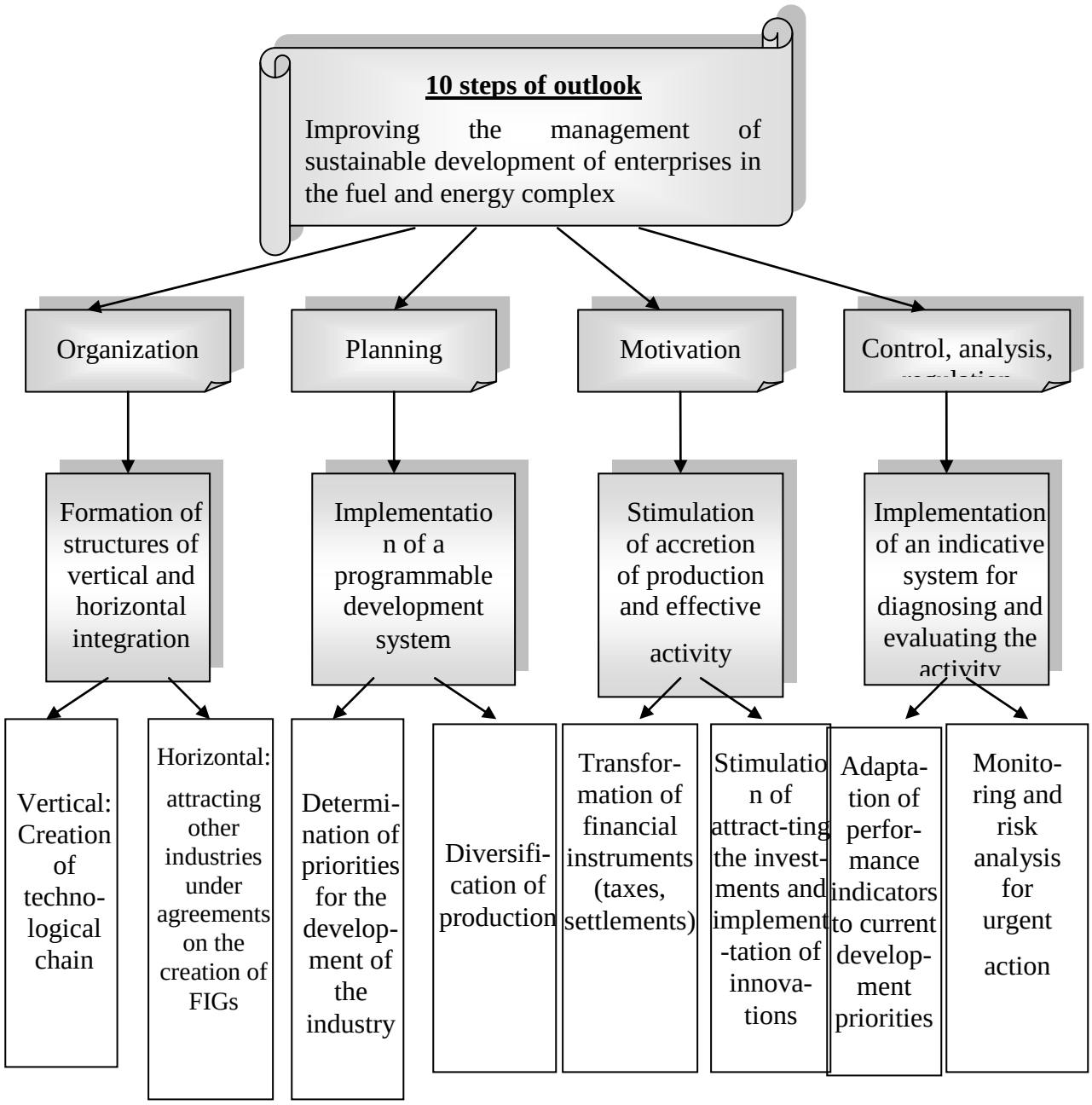

Figure 1. A model of improving the management of sustainable development of enterprises in the fuel and energy complex. 10 steps (outlook)[1]

[1] Developed by the author

Our studies have shown that the accents in the intra-sector policy for improving the management of the sustainable development of oil and gas industry enterprises should be placed in the following main directions. Those are the reform of organizational structures and the formation of systems of vertical and horizontal integration, which is provided by increasing the efficiency and stability of the functioning of intra-sector technological chains, ensuring the rational use of fixed assets, investment and innovation resources, consecutive diversification of production, the transition to a full-scale system of programmable development, a radical revision of the evaluation criteria for the activities of industrial enterprises, the introduction of indicative programming systems for sustainable development, stimulating the transformation of financial instruments of the sustainable development mechanism[1].

Following the logic of the heuristic model that was proposed by us for managing the sustainable development of enterprises in the oil and gas industry of Uzbekistan, we can formulate the content of its tenth step, calculated for the future perspectives. It appears in the following form (fig. 1).

An important direction in improving the organizational mechanism is to ensure the vertical integration of enterprises in the industry. Vertical integration refers to the combination within a single enterprise or industry as a whole of two or more successive stages of the process. One of the forms of ensuring such mutual interest is the current JSC "Uzbekneftegaz". It currently includes 153 enterprises. At present, there are about 800 oil companies in the world, but most of the oil business is carried out by only about 20 integrated transnational entities - Gazprom, Lukoil, Exxon, Shell, Chevron, Mobil, Texas, Atoso, British Retroleum, etc. Precisely this small circle of companies that demonstrates the stability of its functioning even in the conditions of the global financial and economic crisis. And this is no coincidence, since potentially vertical integration provides: reduced logistics costs for the sale of products, the purchase of raw materials and materials (greater protection from fluctuations in prices for raw materials); reliability of supplies of raw materials (materials, components) and sales of products; effective coordination of production at its various stages; expansion of opportunities for innovation and investment activities; successful competition, retention and expansion of market segments for products.

The most important advantage of integrated structures is their stability due to intra-industry diversification of production and marketing of products, since a decrease in prices for hydrocarbon raw materials stimulates the growth of its deep processing and, to a certain extent, compensates the losses in the raw material block. In foreign literature, these processes are presented as "upstream» - exploration, production and transportation of oil and gas and "downstream» - processing, storage, marketing of finished products, etc. The higher the share of "downstream" in the company's products, the more stable its position in competitive markets.

Therefore, the strategy for further improvement of vertical integration is based on two key points: first, the expansion of exploration and development of new large deposits; secondly, all-round expansion of innovative and investment processes with the aim of all-round expansion of deep processing of hydrocarbon raw materials. At the same time, it should be taken into consideration that the innovative strategy in the oil and gas sector is based on the all-round saving of raw materials, the gradual abandonment of it as a source

[1] Allaeva G.Zh. The model of reforming electric power of Uzbekistan. International Journal of Economics, Commers and Management, Vol. V, Issue 8, August 2017. ISSN 2348 0386. United Kingdom.

of energy, by switching to alternative sources of its production. In particular, the expansion of research and investment in the use of wind and solar energy to generate export volumes of electricity looks promising. The raw materials saved in this way can be used in the petrochemical industry to create products of deep processing.

Speaking about managing the sustainable development of the oil and gas industry, we must determine the development strategy, taking into account the inevitable increase in the use of alternative energy sources. And here we inevitably come to a different type of integration of enterprises in the industry. This is the horizontal type. Such organizational structures of industrial management in Uzbekistan also do not look fundamentally new. This is a kind of analogue of industrial and production associations previously operating in the republic, adapted to the realities of the market economy system. The features of their construction and functioning have already been studied by domestic economic science[1].

Improvement of organizational structures by sustainable development of enterprises is the statics of the organizational and economic mechanism. Its dynamic elements are based entirely on programmable development. We are talking about building a system of state and intra-industry programs for long-term, medium-term and current development. It is in the programs that not only quantitative, but also qualitative shifts in sustainable development and improvement of the mechanisms for implementing economic processes are reflected. In other words, development programs are the most important instrument of the organizational and economic mechanism of sustainable development. Much has already been done in this direction.

The transition to the system of industry programming and the development of market relations in the economy objectively required a change in the system of estimated indicators of the functioning of the industry and, accordingly, the use of new programmable indicators of the effectiveness of the development of the industry, ensuring its sustainability and financial stability. In this regard, at present, it is customary in the industry to evaluate the stability of the industry's activities according to three main groups of indicative criteria: volume indicators characterizing the pace, proportions and structure of the industry's development, both in value and in physical terms;

investment parameters arising from the specifics of the development of the oil and gas industry for each given period of time; indicators of financial stability, which comprehensively reflect the process and dynamics of ensuring the stability of the industry.

The structure of groups of volumetric and investment indicators is quite traditional and has long been used in the oil and gas industry for planning and evaluating the activities of enterprises and the industry as a whole. Another thing is with indicators of financial stability. The role of this group of indicators in programming sustainable development and evaluating the activities of economic entities has increased immeasurably with the development of market relations. It is no coincidence that the legislation of the Republic of Uzbekistan determines that the main goal of any enterprise is to make a profit. This indicator is influenced by almost all internal production factors, as well as the state of the external competitive environment and the economic policy of the state. But one of the decisive parameters is the growth in production volumes, an increase in the volume of production, processing of hydrocarbon raw materials (oil, gas and condensate).

[1] See, for example, the monograph Efficiency of industrial associations in Uzbekistan. T., "Fan", 1975.

It is also important that the indicative system for monitoring programmable development sustainability that was proposed and involved by us is already operating in a semi-automatic mode, representing a unique human-machine symbiosis that reveals quantitative and qualitative trends in sustainable development. The functions of a person include the input of initial information, the processing and analysis of which takes place automatically on computers in a special software environment developed by us for the standard office shell Excel. And this means that it can be used in almost any enterprise whose computers have standard office software Microsoft Office. After that, the indicative system is differentiated by blocks for a qualitative assessment by specialists. Based on the results, a conclusion is drawn up, priorities, tactical and strategic goals are formed for programming the sustainable development of enterprises and the industry as a whole.

Science-based proposal.

Thus, the studies have shown that in order to achieve the above-mentioned goals, as in all management systems, mainly standard mechanisms and tools are used, such as savings, cost reduction, stimulation of production and labor, efficient use of investment resources, fixed assets and working capital. etc. Primary attention is paid to the development of innovative activity, modernization and technical re-equipment of production. An essential, and in some cases a decisive role, is played by the introduction of elementary order in management, marketing and logistics. But along with the standard methods of economic and managerial activity, the processes of ensuring the sustainability of enterprises inevitably require non-standard, creative solutions. But this is not an end in itself, but a necessity dictated by the indicative sustainability programming system.

At present, the emphasis in this system on oil and gas industry enterprises is focused on the problems of investment resources and the efficiency of their use, innovative development, modernization and technical re-equipment of enterprises, the development of vertical production integration, and strengthening the financial condition of enterprises. An essential issue is the improvement of the system of taxation of extractive enterprises.

The creation by the state of favorable macroeconomic conditions for the sustainable development of enterprises with particular urgency adduces the need to improve intra-industry organizational and economic mechanisms of self-development. The tools of these mechanisms are multifaceted and multifaceted, but they are based on the strengthening and development of vertical industrial integration, including the improvement of organizational management structures. At present, the prerequisites for the development of diversification of production are ripe, and, consequently, an increase in the role of horizontal integration. Such trends suggest the relevance of the adoption in Uzbekistan of a new normative act regulating the formation and activities of a financial and industrial group, within which the fuel and energy industry will be able to use new effective mechanisms for interaction between enterprises in the industry, to ensure the diversification of production in order to increase sustainability. The development of enterprises in the industry within the framework of a powerful vertically integrated structure that has proven its high efficiency in large-scale export-oriented competitive production based on large-scale extraction and complex processing of hydrocarbon raw materials and the prospective attraction of horizontally integrated production structures within the framework of diversification processes is a strategic direction for improving complex of the country, ensuring the sustainability of the development of enterprises in the industry.

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RATING SYSTEM OF URBAN PUBLIC TRANSPORT IN THE LARGEST CITIES OF THE WORLD

Sharustamov Ayattillo[1]

ABSTRACT

The article examines the estimates of the level of development of the transport complex of large cities. Despite the wide variety of studies on this issue, there is currently no universal approach to assessing the level of development of the transport complex at the level of megacities. The present study aims to develop a tool that allows for a comprehensive assessment of various aspects of the development of urban transport that are significant for all categories of its users, as well as a comparative analysis of the world's leading megacities in terms of transport development based on the proposed methodology.

Key words: *indices; city ratings; development of the transport complex; development of megacities; urban transport; personal transport.*

The development of public transport is an urgent task of our time, since it directly or indirectly affects the efficiency of the country's economy and the implementation of socio-economic functions. The system of urban passenger transport plays a crucial role in the life of society in large cities.

In the system of urban passenger transport, the main participant is the resident, who is faced with the need to move. Human activity is determined by the presence of many alternatives of movement (the ability to choose the method and route of movement, mode of transport), as well as the objective function (minimization of costs associated with movement, quality of transportation/trip) [2]. The choice of people is determined not only by the monetary and time costs of the trip and the convenience of movement, but also depends on the reliability of transportation provided.

The transport system of the city should be planned in such a way as to not only meet the transport demand of the population for labor and cultural movements, but also save the territory of the city, cause minimal harm to public health and the environment [1].

To date, in world practice, various methods are used to assess the level of development of the transport complex of countries. The indices are developed by official statistical bodies, international and national research centers, and independent analytical companies.

For reference: One of the first specialized transport indices was ***the Transportation*** *Services Index, developed in 2002 by joint efforts of scientists from the State University of New York at Albany , George Washington University and the US Bureau of Transportation Statistics3. This indicator characterizes the dynamics of the volume of transport services provided to the population.*

The role of the state is to build the industry management system in such a way as to ensure the maximum possible compromise between the interests of the population served, business and government authorities.

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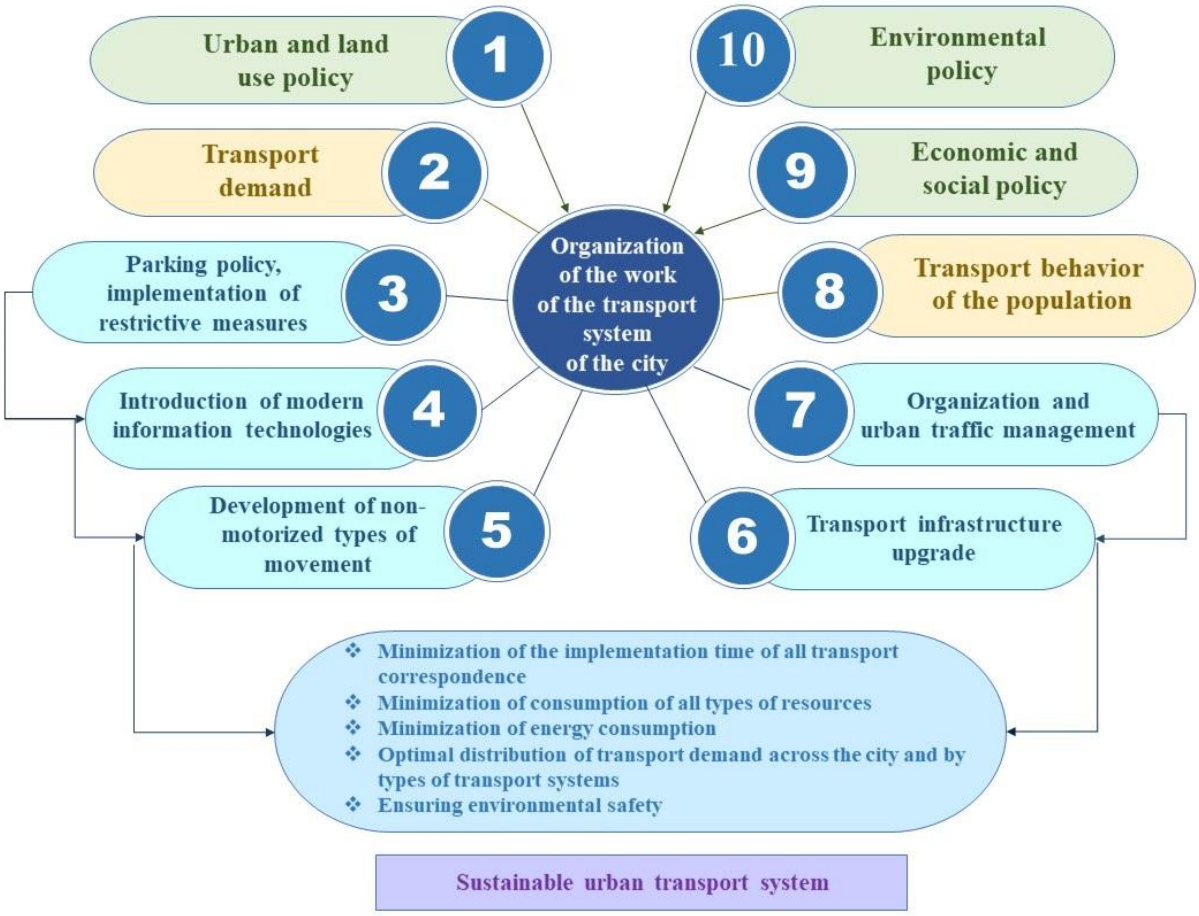
At the same time, when planning the operation of the transport system, the requirements for the system from the perspective of a city dweller, a transport organization, state and municipal authorities, etc. should be taken into account. These requirements are quite contradictory. For example, it is convenient for the passenger that the transport arrives at the stopping point as soon as the passenger approaches it, and the carrier seeks to set such a traffic interval that the vehicles are always 100% full and bring maximum income. The passenger expects the availability of transport and a high level of service, including comfort, cleanliness and safety, and the carrier seeks to reduce its internal and external costs. These are contradictions between the interests of the carrier and the passenger [3].

The efficiency of the transport system is determined in the successful results of the implementation of all relevant processes within the system and the minimization of costs for its operation and maintenance. To build an efficient transport system, it is necessary to correctly build the organization and operation of the transport system, carefully linking it with the economy, urban planning, geography, ecology, sociology and psychology (*Figure 1*) [4].



Picture 1. *Scheme of functioning of a sustainable transport system of the city*

The index is a system designed to identify the strengths and weaknesses of the transport complex of large cities, to determine the best ways for its further development.

In this system, you can consider indicators that directly affect the lives of millions of people, that is: physical accessibility, financial accessibility, efficiency, convenience, safety and sustainable development.

To date, the world practice has accumulated rich experience in building complex indicators characterizing the level of development of the transport complex of countries and cities from various positions. The development of this kind of indices is carried out by official statistical bodies, international and national research centers, independent analytical companies and other organizations.

It should be noted that for each type of transport, its own criteria and ratings of work are applied, which reflect various aspects of the organization of the transport process.

The most important indicators of consumer properties of passenger transport products are: speed, comfort and convenience of travel, speed of ticketing, frequency and regularity of movement, direct communication, etc. Guided by them, the passenger prefers one or another type of transport.

Currently , in an effort to comprehensively assess the impact of urban transport systems on the quality of life in the city, experts have identified five main groups of factors such as:

- Physical accessibility,
- Financial availability,
- Efficiency,
- Convenience
- Security.

Before the trip: the passenger sorts through the options for moving around the city and beyond, how affordable transport is for residents from a financial point of view.

During the trip: how efficient is the city's transportation system in terms of speed and predictability of travel times, how convenient is it to get around the city.

After the trip: what is the overall level of physical and environmental safety of the transport system.

Each of these groups of factors includes several separate elements. For example, when assessing the level of convenience of the transport system, several components were identified, such as comfort on the road, the level of development of the ticket system, the level of development of electronic services and intermodality, i.e. the simplicity and convenience of transferring from one mode of transport to another.

The above elements were accumulated from the opinions of residents, how satisfied they are with the current situation and how they assess the changes in recent years *(Figure 2).*

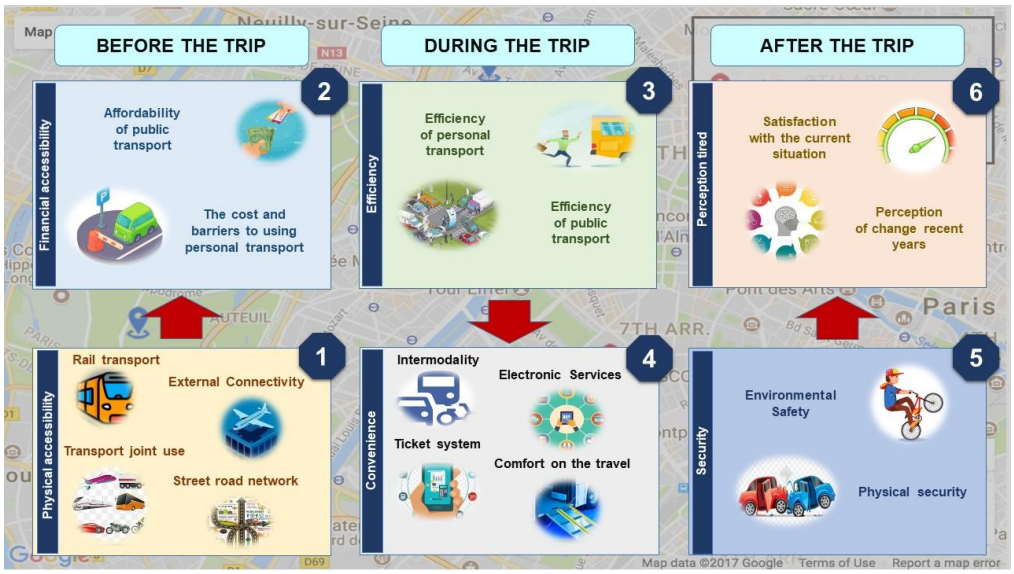


Figure 2. *Scheme of functioning of a sustainable transport system of the city*

Also, within the framework of the study, ten cities were identified that have the most developed and convenient urban transport systems for residents *(Figure 3).*

Here you can see 5 groups of indicators that are equally important in terms of the quality of life in the city, so each of them is assigned the same weighting coefficients when compiling the overall rating.

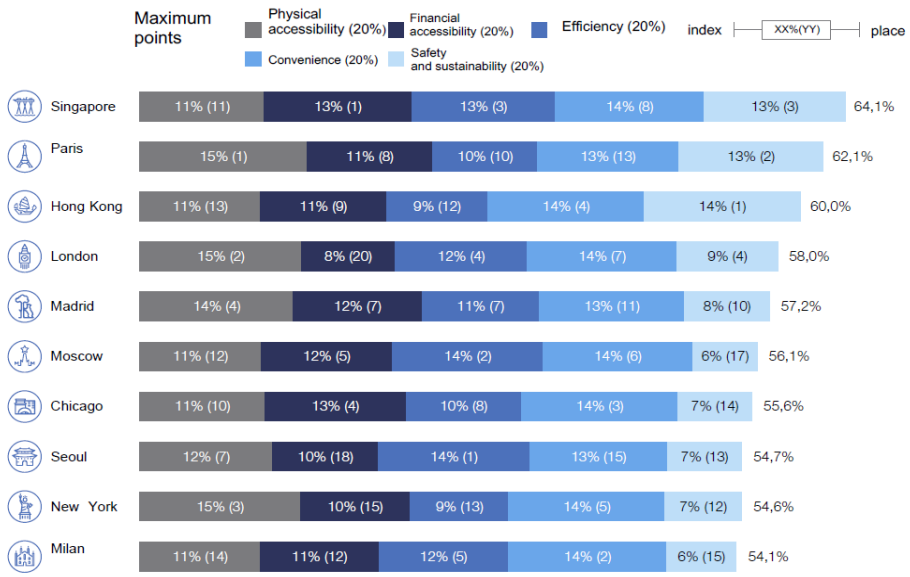


figure-3. *indicators of urban transport systems*

McKinsey specialists have identified 10 megacities with the most developed transport systems *(Transport systems of 24 cities of the world)* .

As part of the study, the Firm's team studied 24 cities, collected and analyzed 95 different indicators, conducted surveys among the population of these cities, and interviewed more than 30 experts from around the world.

In this table, you can see that among the analyzed cities there is no absolute winner who would score the maximum number of points or take first place in all categories, and the first lines of the rating are occupied by cities with the most balanced values of indicators, which achieved the best results in only a few areas.

Recommendations for solving transport problems

1. In order to increase the speed of urban passenger transport, it is necessary to increase the number of dedicated lanes for the movement of route transport, as well as to strengthen the functioning of the lanes by attracting traffic police forces and using photo and video recording.
2. For a quick transfer of passengers from one public transport to another, a single ticket should be introduced that is valid for all types of urban passenger transport.
3. To reduce the intervals of public transport, it is necessary to optimize the route network, taking into account traffic congestion and "rush hour".
4. It is important to pay attention to the subway, since it is an integral part of urban passenger transport:
    - it is worth increasing the frequency of trains during "rush hour" to increase passenger traffic.
    - it is necessary to improve accessibility for people with limited mobility to all metro stations;
    - it is necessary to increase the number of cars with air conditioners in the warm period of time for the most comfortable stay in the car.
    - It is also necessary to strengthen the security of the metro inside and near the stations to prevent terrorist attacks.

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CREATING AN ATTRACTIVE ENVIRONMENT BASED ON INNOVATIVE INVESTMENTS IN PHARMACEUTICAL INDUSTRY

Komolov Sadriddin Khairiddinovich[1]

ABSTRACT

In the article, all industrial enterprises in the real sector of the economy are offered proposals and recommendations for entering new markets on the basis of innovative and investment measures to create an attractive environment for foreign investors based on the advantages of their products for an industrial enterprise, improve its financial condition, prevent risk and reduce production efficiency.

Keywords: *investments, innovative event, industrial enterprise, innovative investment environment, factors affecting an attractive environment, development strategy.*

Introduction.

One of the main goals of the ongoing economic policy of our country is to achieve financial stability aimed at enhancing activity in the real sectors of the economy. This is directly related to ensuring the scale and quality of investment funds attracted to the economy of our country.

Theoretical study of the existing issue of innovative investment in the country, one of the main conditions for attracting innovation and investment in industrial enterprises is to study the possibilities of creating a favorable innovative investment climate, improving the national stock market in modern conditions and, ultimately, Uzbek issuers (the state that has the right to issue securities and paper money) and the need to find ways to bring investors to the global capital market.

The active development of the innovative investment process will lead to the diversification of industry, the modernization of the real sector of the economy, thereby increasing the return on investment. This is confirmed by the fact that in developed countries, GDP growth is about 50-70%, NTR, due to the use of new technologies.

The transition to a modern digital economy will increase the competitiveness of the economy of Uzbekistan only through the introduction of new technologies, new goods and new services. Therefore, the development of Uzbekistan should take place with an approach to the national scientific and technical potential, aimed at the effective implementation of innovative investments.

To account, analyze and improve the efficiency of innovative investments, their classification on a macro - micro - scale will be required. A well-thought-out and scientifically substantiated classification of innovative investments allows not only rationally taking them into account, but also comprehensively analyzing the level of application and, on this basis, having the necessary information about an effective innovation and investment policy, including production and sales.

Last year, Uzbekistan attracted $11.1 billion in foreign investment, which is 113% of the annual forecast. Investment in fixed assets amounted to $9.8 billion, up 110 percent from 2020.

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The leading sectors in terms of investment are energy, metallurgy, chemical industry, electrical engineering, information technology, construction, pharmaceuticals, light industry, agriculture and others.

In total, more than 50 countries invest in the economy of Uzbekistan. In terms of investment volume, the top five investor countries include:

China - $2.2 billion;

Russia - $2.1 billion;

Turkey - $1.18 billion;

Germany - $800.7 billion;

South Korea - $137.4 billion; [1]

Large-scale measures are being taken for the qualitative development of the pharmaceutical industry, one of the most important sectors of the economy. The total turnover of pharmaceutical products in the country is $1.3 billion. About 9,750 drugs are actively sold on the market, 2,634 drugs are produced by local manufacturers, and 600 new drugs are registered annually.

The number of pharmaceutical companies in Uzbekistan is 202, including: pharmaceutical companies, manufacturers of medical equipment-25; medical products-70; enterprises for the production of medicines and medical products - 13.

The number of pharmaceutical companies with a certificate of conformity is 51, including: ISO 9001-40; international certificate GMP-1; national certificate - 10 pcs. [2]

On additional measures to accelerate the development of the pharmaceutical industry of the republic in 2022-2026 in order to further improve the industrial sector, form innovative investment mechanisms in the pharmaceutical industry, ensure the efficiency of public administration, introduce advanced digital technologies in the industry in accordance with the Decree of the President of the Republic of Uzbekistan (No. PF- 55 dated January 21, 2022) - in total, there are 72 projects in the targeted program of investment projects in the pharmaceutical sector for 2022-2024,according to the list of investment projects that received projects in the pharmaceutical industry in 2022-2026 and requiring the development, coordination and approval of project documents, 18 projects, in total there are 14 activities in the roadmap for the further development of the pharmaceutical industry in 2022-2026 [3], the resolution of the President of the Republic of Uzbekistan "On additional measures to deepen reforms in the pharmaceutical industry of the Republic of Uzbekistan" (PP-4554 No. 12/30/2019)as well as reducing the import of pharmaceutical products by attracting investments", in accordance with the Law of the Republic of Uzbekistan "On investments and investment activities" (UZK-598 No. 25.12.2019) - The current legislation is valid for foreign investors for a period of ten years from the date of investment . The investor has the right to apply the provisions of the new legislation at his own discretion, which will improve the conditions for his investment", and other provisions will further increase the attractiveness of the investment climate in the pharmaceutical industry.

Literature review

Using "innovative environment" and "investment environment" as scientific concepts, we can say that scientific research in this area is in its prime.

Today, the terms "innovation environment" and "investment climate", corresponding to the economic situation in the country, characterize the attractiveness of enterprises for innovative investment. When evaluating an innovative investment environment, a number of parameters or criteria are usually used. These parameters characterize the potential of the state to introduce innovative investments and ways to implement them. The most important of them are: macroeconomic stability; legal basis for innovation and investment activities; the quality of the tax system and the level of taxation; condition and reliability of the banking system and other financial institutions; level of infrastructure development; fulfillment of contractual obligations by partners; public administration system.

In many scientific literatures, concepts close to "investment attractiveness" are used as synonyms: "investment activity", "investment image (reputation)". In our opinion, "innovative activity" means the mobilization of real resources for a certain period of internal potential to improve the sustainable financial condition of economic entities, and can also be considered as a process that satisfies investment demand.

The investment climate is the general economic, political, financial conditions that affect the inflow of domestic and foreign investment.

The investment image is a complex reflection of the investment climate in the minds of investors with various aspects. This definition complements the concept of the investment climate (Fig. 1.1.1).

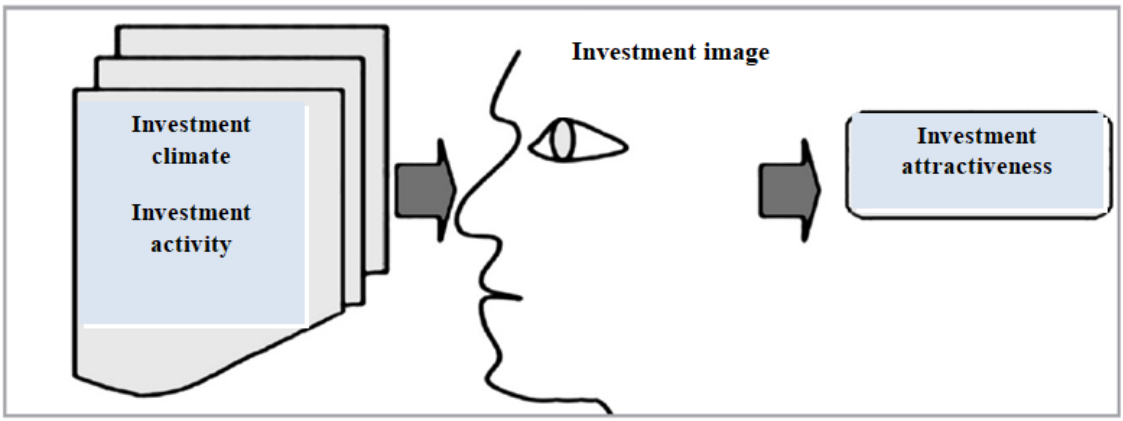

Figure 1.1.1. The mechanism of interdependence of the concepts of "investment attractiveness", "investment climate", "investment activity" and "investment image" [4]

There are two important aspects to consider when assessing investment attractiveness.

Firstly, it is the investment attractiveness of investments in a particular object. It envisages and analyzes the economic situation of existing industries, sectors and clusters in a particular regional system. As part of the economic analysis, the main indicators that determine the effectiveness of investment projects and programs (net present value, payback period, profitability, internal rate of return) are evaluated.

Secondly, the investment attractiveness of the regional economic system. To do this, we need to analyze the following cases:

- The existing legal and regulatory framework;

- Political situation;
- Investment infrastructure;
- Socio-economic conditions;
- The level of protection of investors' interests;
- The level of taxation;
- Strategic and administrative resources.

In our opinion, investment risk is assessed and studied based on the results of a comprehensive analysis of the innovative investment environment in all its aspects. Indicators of the innovative investment climate and risk are inversely related. The more flexible the investment environment, the lower the investor's business risk, which also activates the influx of investors.

Otherwise, with an unfavorable innovative investment environment, risk indicators will be high. This leads to a high level of costs on the part of the recipient of investments in industrial enterprises. The state of the innovative investment climate is one of the most important economic processes not only for the investor, but also for the host country to mobilize investment in the production process.

Economist T.M. Smaglyukova singles out indicators that meet the requirements of a comprehensive assessment from all indicators of investment attractiveness. In her opinion, these indicators are part of the factors of investment attractiveness, which reflect all aspects of the investment process. The sum of the formed indicators covers the external and internal factors of the activity of the regions as an economic system and objects of investment.

T.M. Smaglyukova includes the following factors in the group of factors that determine the investment attractiveness of the regions: political; social; economic; ecological; infrastructural; legal and criminal; innovative, including production; labor, work; finance; investments; raw resource.

In her opinion, the level of investment risk can be analyzed using all of the above factors. To assess the level of investment risk at the industry level, political, social, infrastructural, legal and criminal, innovative and resource factors are excluded from this list. This is explained by the fact that they do not have a sufficient influence on the formation of the analyzed indicators.

In addition, it is considered inappropriate to include uniform indicators in both regional and industry factors of investment attractiveness [5].

Considering the factors influencing the formation of a favorable investment climate in the country, we can say that the attractiveness of innovative investments is important for the country to be seen from the point of view of the entire world community. This is because each country's strategy to enhance the prestige of innovative investment is of great importance in attracting foreign direct investment.

In the description of the investment climate, three areas, identified by O.K. Iminov, deserve attention (Table 1.1.1):

Based on the above considerations, we believe that the concept of "investment climate" can be defined as follows. "Investment environment" - the real sector of the economy is a set of conditions, including the

legal framework for attracting investment in the economy of industrial enterprises, economic, political and geographic and environmental principles, and much more[1].

Table - 1.1.1 Definition of the investment climate [6]

	Method	Factors
Investment environment	1.Aabbreviated method. This method is based on the evaluation of the following indicators.	-increase or decrease in gross domestic product; national income and industrial production; - distribution of national income; - changes in the relationship between savings and consumption; - the process of privatization; - the state of regulation of investment activity by administrative means; - development of individual investment markets, including the stock and money markets.
	2.Extended or all factorial method of consideration. This method takes into account all the factors affecting the investment climate.	- dependence of the investment climate on investments in fixed assets; - universality of this method; - the fact that the investment climate depends on the potential and conditions of the investor's activity is also a key feature of the multifactorial approach.
	3.Risk method. Supporters of the investment climate assessment by this method propose to consider two cases.	- investment potential and investment risk; - investment risk and socio-economic potential.

Research methodology

In our scientific article, methods of observation and comparative analysis were used: inductive, deductive, comparative and system analysis to ensure the competitiveness of pharmaceutical products by creating an attractive environment for innovative investment.

[1]Author's description.

Analysis and results

Creation of new types of products through innovative investments in the pharmaceutical industry of our country, formation and development of an attractive investment climate based on the localization of products and ensuring the competitiveness of products, increasing the share of advanced equipment and technological processes in the information support of pharmaceutical companies, the level of innovative investment in the pharmaceutical industry will also increase as a result of increasing the patentability of patented medicines, the number of applied scientific approaches, principles and modern methods.

Depending on the purpose of innovative investment in a pharmaceutical company or organization, the required amount of capital and raw materials and technologies are selected, they have certain economic, political, geographical, technical, functional, organizational, operational and cost characteristics, which are the main indicators of the effectiveness of innovative investments.

With the development of market relations, the creation of an attractive environment based on innovative investments in the modernization and diversification of each industrial enterprise will become a strategic direction for each industrial enterprise.

The competitiveness of a product based on innovative investment, on the one hand, reflects the ability to meet a particular consumer need in the pharmaceutical market in terms of quality indicators and consumer costs for the purchase and use of pharmaceutical products during this time, on the other hand, this is a general concept aimed at improving strategic and tactical methods of marketing and management in the pharmaceutical industry.

In the digital economy, innovative investment is a method and approach of the pharmaceutical industry based on the continuous implementation of activities, in particular attractive innovations.

The economic policy pursued in our country provides for the acceleration of the process of integration into the world economic community, not only in the structure of the state, but also at the level of the private sector.

Creation of enterprises and organizations with foreign investments includes the following stages:

- Taking into account the reasons for the creation of enterprises and organizations;
- Selection of a reliable partner;
- Decision-making on creation of enterprises and organizations with foreign investments.

Of course, there are also factors that have a positive and negative impact on the innovative investment climate. Their grouping can be interpreted as follows (Fig. 1.1.2).

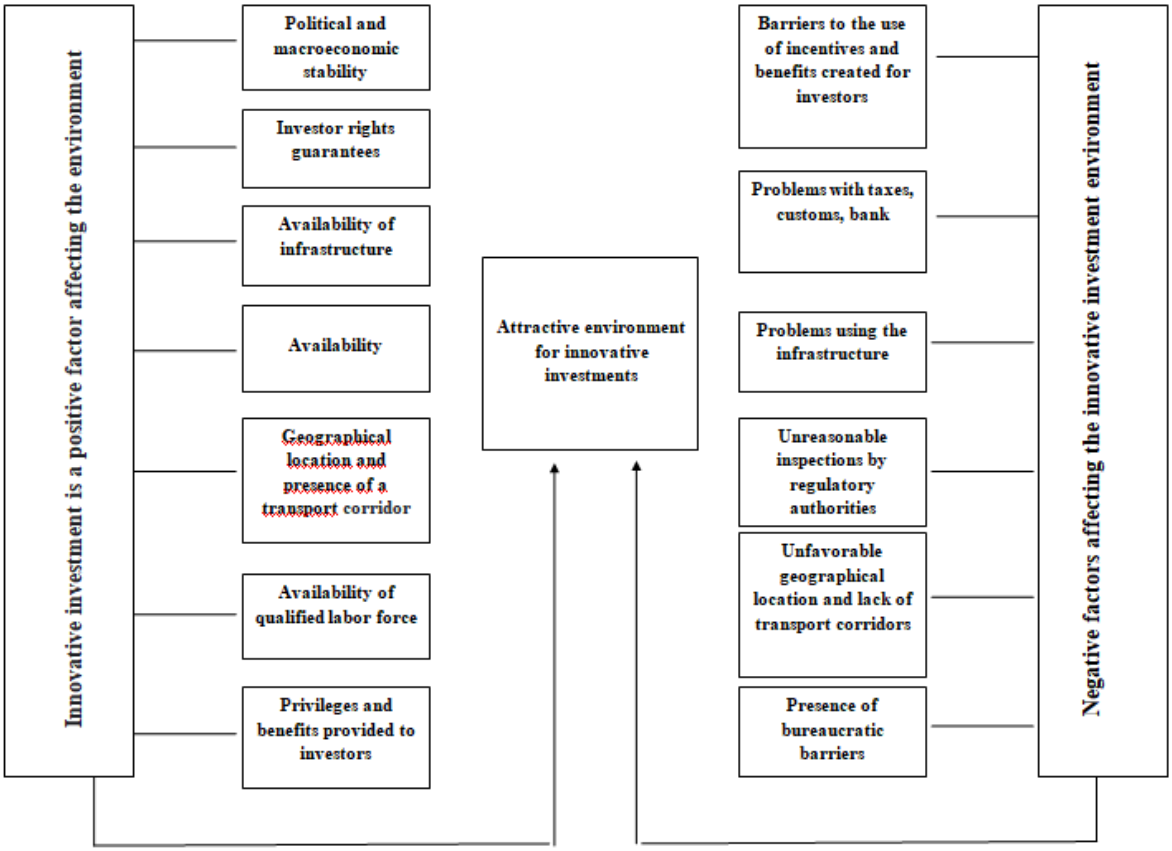

Figure 1.1.2. Factors affecting the innovative investment climate[1]

The political system and macroeconomic stability of the country, the creation of legal guarantees to protect the interests of investors. As well as the availability of raw materials, the development of a favorable infrastructure for the organization of production and its implementation, as well as the level of tax and customs benefits provided to them.

By attracting foreign investment to the country, the stability of the economy in all industries will increase. It is also necessary to develop equipment for industrial enterprises, other promising sectors of small-scale mechanization, the development of consumer goods, the development of machines and technologies for the production of goods, that is, the development of fixed assets is a necessary factor for securing a foothold in the world economy.

As mentioned above, at present, a number of negative factors influence the innovative investment climate. It is worth mentioning the problems with using the existing infrastructure. Because, as the first President of the Republic of Uzbekistan I.A. Karimov stated, we all need to understand a simple truth - without investments there will be no modernization and renewal [7].

[1] Prepared by the author

Today it is necessary to create the necessary conditions and opportunities for the accelerated development of innovative investment processes, further simplifying their organization and functioning, liberalizing innovative activitiesand implementing innovative investment processes by liberalizing the criminal and administrative legislation of a number of action plans of our state is also of great importance.

Conclusions and offers.

According to the results of the study, we came to the conclusion that in order to create an environment of innovative investment attractiveness, it is necessary to study the following factors and assess the degree of their influence:

- Meeting the needs of consumers through the emergence of new products through innovative investments;
- The attitude of managers to the process of innovative investment;
- The need for financial resources for the implementation of innovative investments;
- Adequacy of the organizational structure in the implementation of innovative investments;
- The need for employees with production experience;
- Technical superiority of the innovative product;
- The price of a new product;
- The attractiveness and suitability of innovative investments for organizational purposes.

Therefore, based on the above considerations, it is attractive to invest in innovative markets without introducing new innovative technologies, diversifying and modernizing the production of goods and services at industrial enterprises, which are now the real sector of the economy. To implement these processes, we must, of course, introduce more innovative investment processes.

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THEMATIC STUDY OF THE FUNERAL OF DEAD BODIES IN A POST DISASTER SITUATION: ASSOCIATED SCIENTIFIC, HYGIENIC, RELIGIOUS AND EMOTIONAL ISSUES AND CHALLENGES.

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ABSTRACT

Worldwide people are protected by law for decent right to living, education and food etc. however it has been observed that in unprecedented catastrophic events like Flood, cloudburst, earthquake, chemical fire, forest fire or specially during and after biological disasters like ongoing pandemic i.e. SARS Covid19, providing a respectable last rite to diseased, always become a major challenge and pose a threat to containment of further increase of epidemics due to contamination of environment through water, air or soil etc. A proper dignified as well as scientific cremation of bodies is and should be an important aspect of any disaster management exercise. It has become imperative for public at large to follow basic guidelines issued from time to time either by local administration or the central government to take due care in performing last rites of the diseased so that survivors of that unfortunate events can be protected with regard to individualand social health safety. As people tend to ignore in following desired precautions in performing last rites due to emotional trauma coupled with challenges of arranging materials and resources at the same time. There have been many reported cases of improper disposal of bodies in rivers, mass cremation in graves without due health safety protocols etc. These events are not only a health safety issue for immediate family or social circle of the diseased but is also a bigger challenge for the local administration and higher authorities to contain further spread of disaster due to contamination of environment. The role of local NGOs, civic bodies and governmentsbecomes highly critical and crucial during such resource crunch situations to carry out other relief and rescue operations. There are specific guidelines for disposal of dead bodies in disaster situations, however at ground level they are not implemented in letter and spirit. At the same time, seeing the magnamity of the current Pandemic situation, extra care and mitigation measures need to be taken forthe safety of affected family and community as a whole. The proposed study aims to highlight some important aspects and gap areas in this respect.

Key Words *– Disaster Management, Dead Body disposal, Health Safety, Environmental safety. Contamination of Environment, Religion, Emotion, hygiene, scientific challenges.*

Introduction

Normal living is reflected in the way disasters and catastrophes occur. This is due to the economic and social structure of society, the way societies and governments interact, and the way that connections between decision makers are maintained in order to achieve these goals. Deaths, property damage and

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expenditures for a particular developing country all grow as marginalization develops. Catastrophes or disasters have a huge impact on both human and economic well-being. They may result in a large number of deaths, serious injuries, and resource shortages. When calamities are foreseen, steps can be taken to reduce their effects.

Disaster is defined by (Landsman, 2001) as any incident that produces damage, ecological disturbance, loss of human life, or degradation in health and health services, and which is large enough to require outside help. Usually occurs quickly. As a result of the three, i.e, deaths, injuries, illnesses, and property damage that resulted from this disaster, it cannot be adequately addressed using normal processes or resources.

Disaster is also accompanied by acute scarcity of resources (TGE1993).

Disaster can be classified into 5 main categories, i.e. Sudden-onset disasters, Slow-onset disasters, Industrial/technological disasters, Complex emergencies, Epidemic diseases.

1. **Sudden-onset disasters**: landslides, earthquakes, tsunamis, tropical storms, volcanic eruptions, and floods are all examples of natural disasters. Sudden-onset catastrophes, as their name suggests, strike suddenly and without notice. Out of all the sudden onset disaster Earthquakes cause the greatest number of deaths and overwhelming infrastructural damage.
2. **Slow-onset disasters**: These disasters are usually the result of adverse weather conditions combined with poor land use. This includes droughts, famine, environmental degradation, deforestation (loss of trees and vegetation), pest infestation and desertification.
3. **Industrial/technological disasters**: cause pollution, spills, explosions, and fires in a community due to industrial and technical activity. Massive casualties and infrastructure damage can be caused by industrial disasters.
4. **Complex emergencies**: several elements that contribute to their creation. War between governments, internal strife, and terrorism are typically the triggers for them.
5. **Epidemic diseases**: In stable societies, these illnesses are rare but have the ability to spread if specific criteria are met. There are a number of ways that these diseases might be spread: contaminated water and food; person-to-person contact; or animal or insect vectors. The recent case reported is of COVID-19.

Since the recent case that has happened is COVID-19 this paper will cover mostly the Funeral of Dead Bodies due to causalitiescaused by such epidemic rather pandemic cases. Funeral management during different disasters will also be taken care of.

Literature review

Whatever is the kind of disaster, it results in loss of lives. Thus, it becomes mandatory that proper and safe funeral should be conducted to avoid further infections. Management of human remains has not always received the attention it needs, and in other situations it's simply not taken into consideration.

According to Obonyo, 2015 To deal with unanticipated calamities, there is a lack of integrated and coordinated approach that depends on ad hoc methods.

Experts as Browne, Mike & Seville, 2011 suggest that excellent preparation and organization for disaster response is crucial to minimize interruption.Repair and maintenance of essential health services, such as sanitation and water systems; repair, replace, or rebuild of property; and the correct management of dead remains are all part of this phase. To assist reduce the psychological consequences on families, it is important to properly care for deceased bodies. The search for corpses is followed by the identification of bodies on the spot, transfer to a facility that serves as a morgue, delivery to family members and assistance from local health authorities in disposing of bodies in accordance with the wishes of the family and religious and cultural norms of the community. According to Hildebrandt (2013). International Committee of the Red Cross and the World Health Organization strongly warn against mass burials during catastrophes, stating that the act can bring more damage than benefit.

For those left behind, hasty funerals make their personal tragedies even more difficult to deal with. There will be no closure for the grieving family without identification of the body or information of where and how could funeral be conducted. They are also unable to execute the required funeral rites according to their religious or cultural traditions.

Peter Harvey, Sohrab Baghri, and Bob Reed (2002) in their book Emergency Sanitation, Assessment, and Programmed Design have emphasized the necessity of appropriate funeral of bodies. Due to a lack of appropriate funeral facilities and processes, social concerns may be left unsolved, which may contribute to the total sadness of individuals concerned, creating rather than decreasing stress. A lot of human and material resources are required for the removal of bodies, burial and cremation, which should be given to the deceased's family and friends.

When it came to the evacuation of dead, processing them in morgues, and registering and delivering the bodies, certain authorities' lack of understanding about managing large deaths in crisis circumstances produced confusion and mayhem Badruddin A. Rahman (2012).

As a result, "STANDARD PRECAUTIONS" should be implemented in every situation. All deceased corpses are potentially contagious. Despite the fact that most organisms in a dead corpse are unlikely to infect healthy people, some infectious agents can be transferred when people come into touch with blood, bodily fluids, or tissues of a dead body that has infectious illnesses. If employees are exposed to blood, bodily fluids, and tissues, then they run the danger of contracting infectious illnesses that may be recognized or unknown. Staff training and education, a safe working environment, safe work practices, and the usage of prescribed safety gear should all be part of a logical approach (Department of Health Hospital 2020).

Studies show that people who die from trauma due to natural disaster pose a very low threat to other in terms of infection or getting exposed to chronic infectious hazards. But when there is large number of deaths due to epidemic then a mass burial is the most suitable way of disposal of dead bodies. There is minimal indication that burial has contaminated groundwater with microbes Rev Panam 2004.

To avoid aggravating impacted populations' sorrow, the victims should not be improperly disposed of during emergency response Morgan etal 2006. Further, an important aspect of disaster management is identifying the dead and missing, as well as arranging for their respectful burialSumathipala et al 2006.

Iimmediately dispose of dead bodies, typically by mass burial, is that accurate identification of the deceased is greatly impeded, and families are often prevented from mourning and unable to bring closure after such a traumatizing incident Thomas 2007.

According to Morgan and Goyet, 2005. organizations that do not fall within the purview of the government should be encouraged to provide their services to assist in the identification and burial of huge numbers of deceased.

According to the study by Telma and Duarte, 2016, there is a necessity of investing in the development of methods to decrease the risk of infection connected with the handling of dead bodies.

Young and Healing 1995, suggested in their study that Funeral directors need to be better understood by medical professionals. Policies based on a realistic risk assessment should be established.

Objectives

In view of providing a guideline for Disaster Management of Human Corpse the following objective have been set.

1. To identify the existing legislation (if any) related to the disaster management of human corpse in India
2. Identify psychological impact of the survivors and family of deceased.
3. Identify methods of funeral to reduce environmental pollution and follow religious norms of the deceased.
4. Suggest modes or methods of handling the dead bodies to minimize and re-infestation of infection
5. Clear the myths regarding disposal of corpses.

Objective1 : To identify the existing legislation (if any) related to the disaster management of human corpse in India.

For fulfilling objective 1, ie. to identify legislation in India related to Human Corpse management during disaster, article, new papers and legal proceedings were studied. This was done to find out rights of the dead people. The following points have been identified.

Article 21

This was explicitly stated by the Chief Secretary that “The right to life enshrined under Article 21 also include right to live with human dignity and by our culture, customs, religious beliefs and traditions this right to live with human dignity should also be augmented to dead person and the right to decent funeral should also be taken under the ambit of human dignity”.

Further Patna high court state that It's up to the hospital and state to ensure sure unidentified cadavers are disposed of in accordance with the law and human dignity, this was pronounced after unceremonious dumping of dead bodies in Ganges River without even sewing and stitching the dead bodies after post-mortem by Patna Medical College was found.

The Indian Penal Code

Any place that is not used for funeral rituals or as a repository for the dead's remains is prohibited under **Section 297**. In addition, it punishes anybody who humiliates a human corpse or causes a disturbance in the burial ceremony's gathering of people. These are crimes that are punishable by one year in jail or a fine or both under this provision.

As per the provisions of **Section 377** (unnatural sex). An infraction that does not have its own particular provision is generally punished in a way that does not reflect its seriousness.

Section 404 of the Indian Penal Code (IPC) punishes illegal theft of property owned by a deceased person at the time of his death.

Slander and libel against a deceased person are likewise deemed defamatory acts under **Section 499** and are non-cognizable and bailable offences.

Another law is **Section 503**, according to which it is illegal to threaten an individual with damaging the reputation of a deceased person who is beloved to the individual. In spite of these parts, we must recognize that a deceased person/corpse has yet to be defined under the law, and this might cause issues in interpreting and implementing the law in a larger sense, leading to delayed justice.

in 2005, the **United Nations Commission on Human Rights** issued out a resolution highlighting the importance of managing a dead person (administration and disposal) and honoring the requirements of the families.

As per international perspective, Human beings are born free and equal in dignity and rights, according to the Universal Declaration of Human Rights (**Article 1**). Individuals have a "right to inalienability" in certain areas. As a result of the Human Rights Convention, any victim of a breach of the rights set forth in this statement may file a claim for compensation.

Objective 2: Identify psychological impact of the survivors and family of deceased.

Taking an example of the current situation where some family members survived and some succumbed to covid-19, it was found that So far, more than 38 million cases have been confirmed and more than a million deaths have occurred and According to global statistics released by the WHO, the COVID-19 mortality rate is 7%. Surviving Covis-19 infection is very stressful. Because of acute viral epidemics have severe impacts on patients' mental health as well as possibly catastrophic consequences on their physical health, the patients are under a great deal of stress during this crisisRP Rajkumar 2020, CDCP 2019.

There was a 40% prevalence of post-traumatic stress disorder (PTSD) in SARS survivors after three years, according to studies Park etal 2020.

Further to the self-trauma of surviving such a painful infection and treatment and isolation, losing a near one is all the more traumatic. This leads to psychological disturbances and even suicidal tendencies (Wang et al., 2020; Xiang et al., 2020).

Studies also show that many people are in fear of losing their job and/or suffering a decrease in their family income, thus many patients suffer from mental health problems related to financial and banking crisis (Liu et al., 2020; Sun et al., 2020.

Objective 3: Identify methods of funeral to reduce environmental pollution and follow religious norms of the deceased.

Since the scope of the paper is more pointed towards the current pandemic situation a lot of cases have been reported where a lot of corpses were given burial or cremation without following religious and sentimental norms. This was to the extent that a lot of pollution was also added to the environment.Traditionally, all Hindus—except babies, children, and saints—are cremated. Christians and

Muslims are buried. Sometimes Hindu traditions also follow buring in river side sand or disposing corpse in river is also found. But this is not commonly done.

There are traditions of leaving the dead in open space, mostly hill tops or high towers, to be devoured by wild animals or scavenging birds. This is common amongst people following Zoroastrianism.

Every method of cremation pose some threat to the environment. Like cremation amongst hindus is a major source of air and water pollution. Thus a new concept of green cremation is being followed, where electric crematoriums are used and the fuel is supplied by CNG. This prevents prom cremating in open and releasing of harmful gases and ashes to the environment.

Amongst Zoroastrians the leaving of dead in open space may not be creating air water or soil pollution but a drastic drop in vulture population is seen. This is attributed to slow poisoning of vultures on dead bodies treated with medicines specially with anti-inflammatory drug, Diclofenac. This causes syndrome known as “drooping neck.This is disturbing ecological chain. This even is unsafe during epidemic times as opening the dead body from the sealed packets and handling them may pose threat of infection.

Looking at the current situation and also keeping in view any catastrophic situation, following methods of disposal of bodies need to be followed.

Since there is no special health advantage of cremation over burial, but following traditions and religion, this should be allowed by following the undermentioned norms.

1. Washing/bathing, hugging or kissing the dead should not be allowed.
2. Any religious ceremony to be performed on the seal packed dead bodies
3. Electric cremation to be preferred over traditional cremation.
4. Psychosocial support for families and relatives should be considered. Cultural and religious needs should be respected.
5. Disposing of deceased remains in an undignified manner can lead to further traumatization of family members, and should be avoided at all costs. Assuring that deceased bodies are handled ethically and with sensitivity to religious and cultural sensibilities should be a priority.
6. It is recommended that cremation sites be at least 500 meters away from homes..

If the religion and social norms require burying then the following should be taken care of.

1. Graveyards should be at least 30m from groundwater sources used for drinking water.
2. The bottom of any grave must be at least 1.5m above the water table with a 0.7m unsaturated zone. Surface water from graveyards must not enter inhabited areas.
3. Ensure universal precautions for blood and body fluids.
4. Ensure use of body bags

Burials in common graves and masscremationsarerarelywarrantedandshouldbeavoided. But in case of Mass burying and mass cremation be performed social/ religious and medical obligations and also following disaster/pandemic protocols to prevent further infection and also support psychological needs of the family members of the deceased.

Objective 4: Suggest modes or methods of handling the dead bodies to minimize and re-infestation of infection

Handling dead bodies happen at different stages. Removal of the body from the isolation room or area , The body being handed over to the family members immediately, body being stored in mortuary, autopsies.

Precautions to be taken while removing body from the isolation room or area: -

Hand hygiene and adequate use of PPE (water-resistant apron, goggles, N95 mask, gloves) should be performed by the health care provider attending to the deceased.

The deceased's corpse should be free of any tubes, drains, or catheters.

To prevent infection, clean any puncture holes or wounds with 1 percent hypochlorite and cover them with an impermeable dressing.

Handle sharps with care, particularly intravenous catheters and other pointed equipment. They must be disposed of in a sharps container.

Plug the dead person's nose and oral orifices to prevent the loss of bodily fluids.

The patient's relatives may be permitted to see the body after it has been removed from the isolation room or area if Standard Precautions are followed.

Place the corpse in a leak-proof plastic body bag to prevent the body from rotting. One percent hypochlorite can be used to clean the body bag's outside. A mortuary sheet or a sheet supplied by the family might be used to cover the body bag.

All used/soiled linen should be handled with usual procedures, placed in biohazard bag, and the bag's outside surface cleaned with hypochlorite solution.

According to accepted infection prevention and control methods, used equipment should be autoclaved or disinfected.

It is mandatory that all biomedical waste be managed and disposed of in line with Biomedical waste management regulations.

Precautions to be followed while handling body being stored in mortuary: -

Mortuary employees who handle dead bodies are required to adhere to established safety protocols.

Entombed people should be kept in freezers or refrigerators that are kept at a temperature of no more than 4°C.

The morgue must be maintained spotless. Use a 1 percent Hypochlorite solution to disinfect work surfaces, instruments, and transport carts.

After the corpse is removed, use a 1 percent solution of sodium hypochlorite to clean the chamber door, handles, and floor.

Embalming of dead body should not be allowed if the person has died of infections like cholera, ebola or Covid-19.

Autopsies: -

Autopsies should be avoided for person who dies of infectious disease. Whenever an autopsy is required, infection prevention and control measures should be implemented.

Infection control techniques should be well-trained on the Team.

A small team of forensic specialists and support personnel should be present in the autopsy room.

All PPE (coveralls, helmet, shoe covers, N 95 mask, goggles/face shield) should be worn by the Team.

PM40 or any other heavy-duty blades with blunted tips, such as round-ended scissors, should be used to prevent prick injuries.

Only one bodily cavity should be dissected at a time. Unfixed organs must be held firmly on the table and cut with a sponge - care must be given to prevent injury to the hand.

When done with a fluid sample, needles should not be re-sheathed and syringes should be put in a sharps container.

Reduce the production of aerosol during autopsy by employing proper methods, particularly when working with lung tissue.

After the operation, the body should be cleaned with 1% Sodium Hypochlorite and put in a body bag, the outside of which will be decontaminated once more with 1% Sodium Hypochlorite solution.

After that, the body might be given to the family members.

The autopsy table will be cleaned and disinfected in accordance with accepted practices.

To add to this while handling the dead bodies, the bodies first need to be categorized based on mode of transmission and the risk of infection of different diseases. and precautions have to be taken accordingly.

Category 1: BLUE label

People died with disease not mentioned in category 2 and 3.

Viewing in funeral parlor, embalming and hygienic preparation of the Category 1 dead bodies are allowed.

Category 2: Yellow Label

This category includes people died of

Human Immunodeficiency Virus infection (HIV)

2) Hepatitis C

3) Creutzfeldt-Jacob disease without necropsy

4) Severe Acute Respiratory Syndrome (SARS)

5) Avian influenza

6) Middle East Respiratory Syndrome (MERS)

7) Coronavirus disease (COVID-19),

8) Including other infectious diseases as advised by the physician i/c, the infection control officer or microbiologist.

Viewing in funeral parlour and hygienic preparation are allowed. Embalming is NOT allowed. Cremation is advisable

Category 3: Red Label

This category includes death cases because of

1) Anthrax

2) Plague

3) Rabies

4) Viral haemorrhagic fevers

5) Creutzfeldt-Jacob disease with necropsy

6) Including other infectious diseases as advised by the physician i/c, the infection control officer or microbiologist.

Viewing in funeral parlour, embalming and hygienic preparation are NOT allowed. The dead body should NOT be removed from the body bag. Unzipping of the body bag is NOT allowed. Cremation is strongly advisable.

Objective 5: Clear the myths regarding disposal of corpse

A lot of myths are associated with handling and disposing dead bodies during or post disaster. The health risk posed by dead bodies is minimal in the great majority of cases. Problems and hazards connected with dead corpses are mostly societal and political in nature.

mostcommonmythsassociatedwithdisastersisthatdeadbodiesareresponsibleforepidemics.Infact,arelationshipbetweencorpsesandepidemicshasneverbeenscientifically demonstrated or reported (WHO, 1999). But yes, if death reason is infectious disease like ebola typhus are very unlikely. For a person who died due to Covid-19, the chances of transmitting infection are almost nil as virus doesnot stay active in nasal and oral cavity after 12 to 24 hours after the death, as said by AIIMS Forensic Chief Dr Sudhir Gupta. Nonetheless, prevention like wearing PPE kit, hand and face mask , hand hygiene is mandatory to be doubly sure to prevent any sort of infection.

Another myth which came up was collecting bones and mortal remains post cremation is risky. For which doctors confirmed that Collection of bones and ashes is completely safe as there is no risk of transmission of infection from the mortal remains

People who come into contact with polluted water sources may become ill with gastro-enteritis, but this is quite rare.

The presence of corpses has little to do with the presence of mosquito-borne illnesses like malaria and dengue fever.

body disposal practices are predicated on the misconception that unburied or unburned corpses pose an epidemic threat.

Dioxin and furan emissions from cemeteries are harmful for people because they poison the groundwater. Skin problems and malignant growths are only two of the side effects of being exposed to dioxins. Formaldehyde, a chemical used in embalming, has been found in certain environmental samples, raising questions about its safety.

Formaldehyde solutions of 4% are widely used, although the hazard is minor because the majority dissolves in the body and soil before reaching the water table.

According to another popular myth, unintentional fatalities are caused by calamities like hurricanes. The poorest people on earth are disproportionately affected by catastrophes because they tend to concentrate in the most vulnerable (high-risk) geographical areas.

A widely-held belief is that burying or cremating corpses in mass graves or crematoriums will alleviate the populace and prevent the spread of illness.

People are more comforted and can cope with the loss of loved ones when they follow their religious beliefs and perform religious rituals and are confident that the corpses can be identified and recovered.

It's a myth that keeping the scope of the tragedy under wraps is a good idea.

Restrictions on information, in reality, breed mistrust among the people, leading to improper conduct and even violence.

Big body identification problems aren't conceivable after a disaster, myth says, but reality says that body or body part identification may always be done using several approaches.

Lastly it is also a myth that because of the high cost and the complexity of the processes required, DNA technology for identifying bodies is still out of reach for most countries. But in reality, DNA profiling is quickly becoming a universally accessible identifying technique. Furthermore, in the event of a catastrophic catastrophe, the majority of countries are capable of providing assistance with economic and scientific resources, including DNA technology.

Conclusion

While the precedents and structure in place support the right of a deceased person, this right continues to be neglected and rejected in a variety of scenarios. The existing state of affairs served as a trigger for the infringement of the rights of a deceased person. As a result, in light of the current situation, education is required so that everyone is aware of the rights that a deceased person has, including human dignity and a dignified burial for the departed.

Due to deaths of the loved ones or the known ones during geographical disaster or medical disaster there is a huge impact on the survivors and the family members of the deceased person. Proper psychological treatment, counselling should be provided to minimize the trauma.

Further it is concluded that mass burial and mass cremation should not be allowed. As it does not give any benefit to health but rather creates a huge mental turmoil in the minds of the survivors and family members of the deceased person.

If the dead bodies are categorized as per the guidelines handling then do not pose any threat of reinfection.

Lastly there are a lot of myths related to handling dead bodies. Creating awareness for the same would help in better handling and disposal of dead bodies during various types of disaster.

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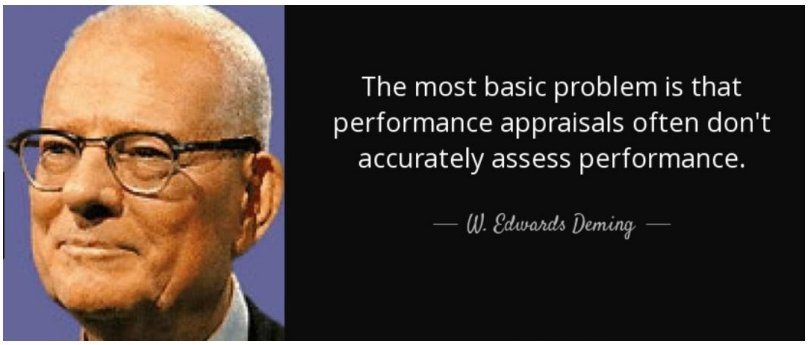

ECONOMIC AND SOCIAL CONTENT OF THE ACTIVITY OF FARMER FARMS, AS WELL AS FEATURES OF ITS TRANSFORMATION

Xusanov Otabek Nishonovich[1]

INTRODUCTION

One of the important directions of formation of the class of property owners in agriculture is the organization and development of farmer and peasant farms. Increasing the volume and share of private property in the conditions of economic liberalization, the development of the class of property owners is a suitable way of free market relations of economic upsurge. Therefore, great attention is paid to the development of the farming movement in the modern agribusiness system in our republic.

Agribusiness is a form of manifestation of entrepreneurial activity in agriculture and related fields[1]. The basis of agribusiness activity is profit-making by providing the consumer market with a sufficient amount of quality agricultural products, providing the industry with raw materials.

In agriculture, the main form of agribusiness and the primary tier are farmers and peasant farms. Within the framework of economic activities in agricultural land areas where these farms are leased or umrbad combinationtirib, the fact that the owner and the producer of the property is the farmer himself and his family members, the use of hired labor[2] through the transition to market demand-based operation in competitive conditions, ensures a high level of economic efficiency.

Farmer's farm today is a major commodity producer in agriculture, and its advantage is the direct addition of property and labor and production management process in the activities of the unin, ensuring the high efficiency of production. Farmer farms are able to quickly adapt their activities to the market conjuncture due to the fact that they are an independent structure.

As a result of the economic reforms carried out in Uzbekistan, radical changes in the system of Organization of agricultural production, the emergence of the agricultural movement as a force that contributes to the socio - economic development of the villages is an important component of the reform.

LITERATURE REVIEW

With a focus on history, farmer farms were originally formed in the countries of Europe and North America as a result of the development of commodity production relations. Since farmer farms in European countries have been formed for many years as a result of the development of market relations, the theoretical justification of the essence of farmer farms began in the era of Physiocrats. In particular in 1758.

In his "economic chart", Kene described the members of society as three classes: landowners, fermers, hunarmen. In the table, landowners are defined as owners of rent, fermers are owners of capitalalga and landowners'.

During these periods the user of mercenary Labour was promoted to cotton farmer farms. In addition to the rich peasant farms, there were a large number of farms from their land, where farmers and Cattle-Breeders made up, both by themselves and by the power of family members. During this period in Central

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Asia, as the sphere of commodity monetary relations and cotton production developed, the number of commodity farms also increased.

Different definitions are given to the concept of farming by economist scientists. Krivosheev, farming is a form of Organization of commodity production (entrepreneurial activity) in agriculture, and not only is it based on personal labor of the farmer, his family members and hired employees, but it is also a kind of farm that is organized on the basis of hired labor of all categories, fulfilling only the managerial function of the head ofIts main goal is not only to meet the needs of the family, but also to take a stable place in the market, which provides for the processes of developing reproduction.

According to, farming as a strictly and economically independent farm is an agribusiness type based on its own and attracted capital, husband, production funds, personal and hired labor by a separate citizen (any member of the family or group of people) and organized on the principles of commercial accounting, processing, sale, use.

In the above definitions, the main purpose of the farmer's farm in the conditions of a market economy is not clearly indicated, recognizing that it is a commodity farm established by a family and a group of people. has been given more emphasis on the organizational aspects of the farmer's farm.

A.A.Nikitina is defined as a form of economic operation in which the farmer's farm is based on the principle of their personal participation in order to meet the needs of family members, as well as the involvement of hired labor in order to obtain more added value. Here, the author shows the peculiarity of the farmer's farm, which is aimed at satisfying the family needs and receiving benefits from the second.

B.D.Iziev comments that the peasant (farmer) economy is a form of Family small free enterprise, which, in priority, independently carries out its activities on the basis of private ownership of the main means of production in agriculture, either without hired labor or with the aim of obtaining benefits for expanded reproduction by attracting it.

It is worth noting that the farmer farms were established in the early period as a form of family entrepreneurship, but later, due to the expanded repeat production processes, the medium and large multi-branch could become a farm of different forms.

In the economic dictionary "farmer's farm is an enterprise that produces agricultural products, the farm operates privately in rural areas on a private land or on a leased land. The farmer's farm can be accessed by family members, relatives, other citizens of the farmer." However, this definition does not fully reveal the content of the farmer's farm, since the peasant farms are also engaged in the cultivation of agricultural products with family members in rural areas today.

It should be noted that the law of the Republic of Uzbekistan "on farmer's economy"(adopted in 1998 and amended in 2004) provides a broader and more accurate definition of the farmer's economy in general. In the law "farmer's farm is an independent economic entity, engaged in the production of agricultural goods with the use of leased land plots. Farming is the main subject of agricultural production in the Republic of Uzbekistan".

Also, D.Tojiboeva comments on this definition for some time as an economic entity, which has the right of a legal entity conducting agricultural production of goods on the basis of the use of a long-term leased land area, based on the joint activities of members of the farm. In this definition, emphasis is placed on the status of the farmer's farm as a real person.

RESULTS AND DISCUSSIONS

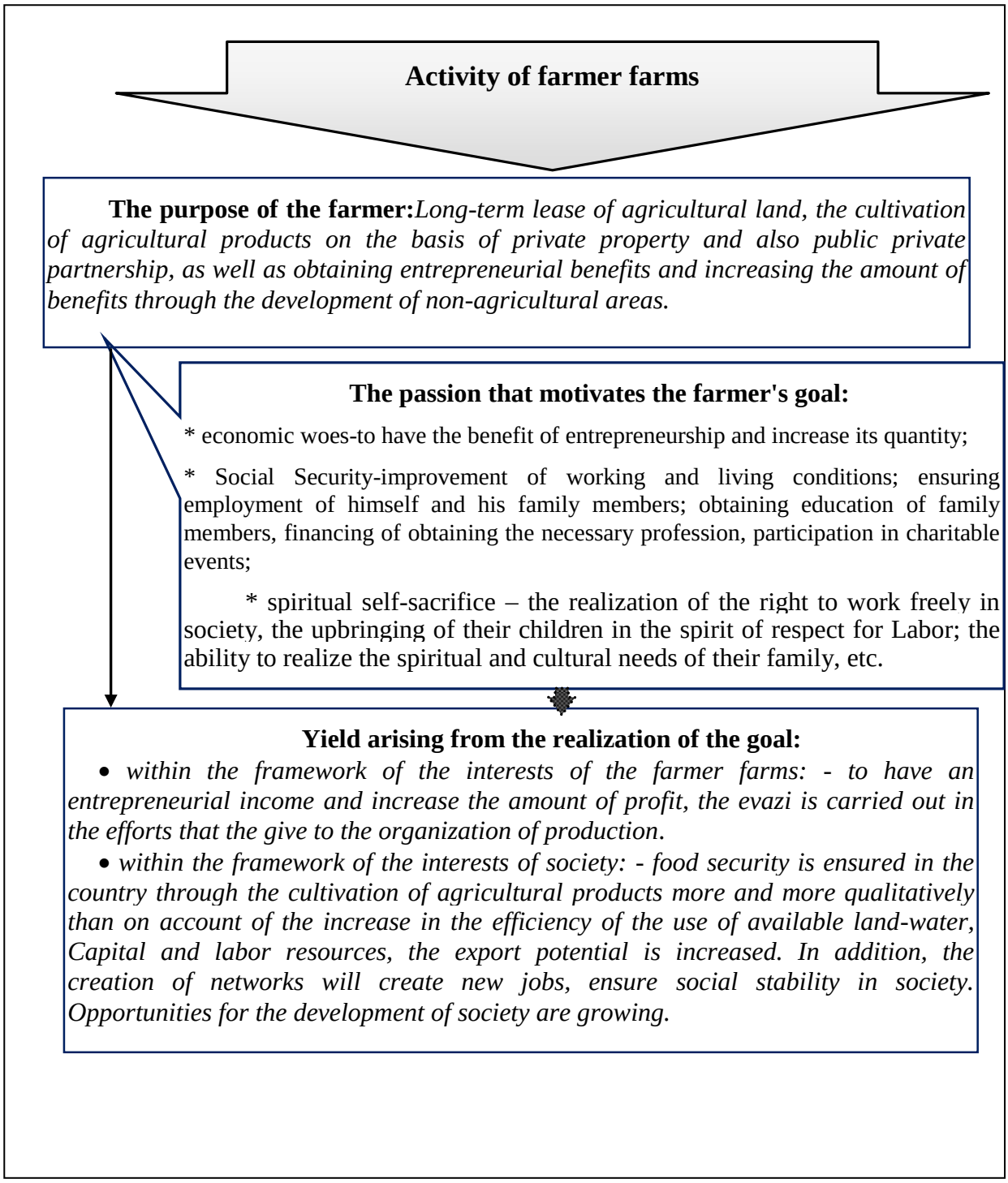
Currently, diversified farmer farms are developing in our republic, they are not engaged in the production of agricultural products, but are also engaged in their processing, storage, production of industrial products and provision of services. For example, from the phrase "Umid" in Fergana region, "Tuxtaniyoz ota" in Tashkent region and many other diversified farmer farms.

So, in our opinion, the views on farmer farms should be further emphasized. Therefore, in our opinion, farming is an independent operating agribusiness entity that produces goods in the agricultural and non-agricultural sectors with the aim of obtaining the status of a legal entity, using agricultural land and private property for a long period of time, based on the labor of family members and hired employees involved.

It should be noted that although the above definition fully reveals the economic content of the concept of farmer, it is worthwhile to clarify the main characters of the farmer's farm, based on scientific and cultural literature, as follows:

- The fact that it is a commodity economy operating on the principles of modern agribusiness;
- The use of agricultural land plots on the basis of long-term lease (from 30 to 50 years) ;
- Activities in the fields of Agriculture and related industries and services;
- Based on the use of the labor force hired by the members of the farm and also on a permanent basis;
- Production of goods on the basis of Public Private Partnership;
- The fact that he can voluntarily engage in charity work, too, in combination with the fact that he is the main goal of high Nafs and profits.

The purpose of the farm is to receive benefits on the basis of the cultivation (provision of services) and sale of agricultural and non-agricultural products, as well as to fully meet the social and economic needs of the employees operating in the farm. Ultimately, there are opportunities to provide the population of the Republic with food products and increase the export potential of the agrarian sector (figure 1.1).



1.1-figure. Entrepreneurship of farmer farms

objective of the quality of the subject [4]

The farmer acts within the framework of interests in the realization of his set goal. So, the goal of the bunda farmer is: to obtain entrepreneurial benefits and increase the amount of profit through the long-term lease of agricultural land, the cultivation of agricultural products on the basis of private property and also public private partnership, as well as the development of non-agricultural sectors.

The following motivating actions that motivate the farmer in achieving the goal set before the organization of production namely:

- economic viability-to have the benefit of entrepreneurship and increase its quantity;

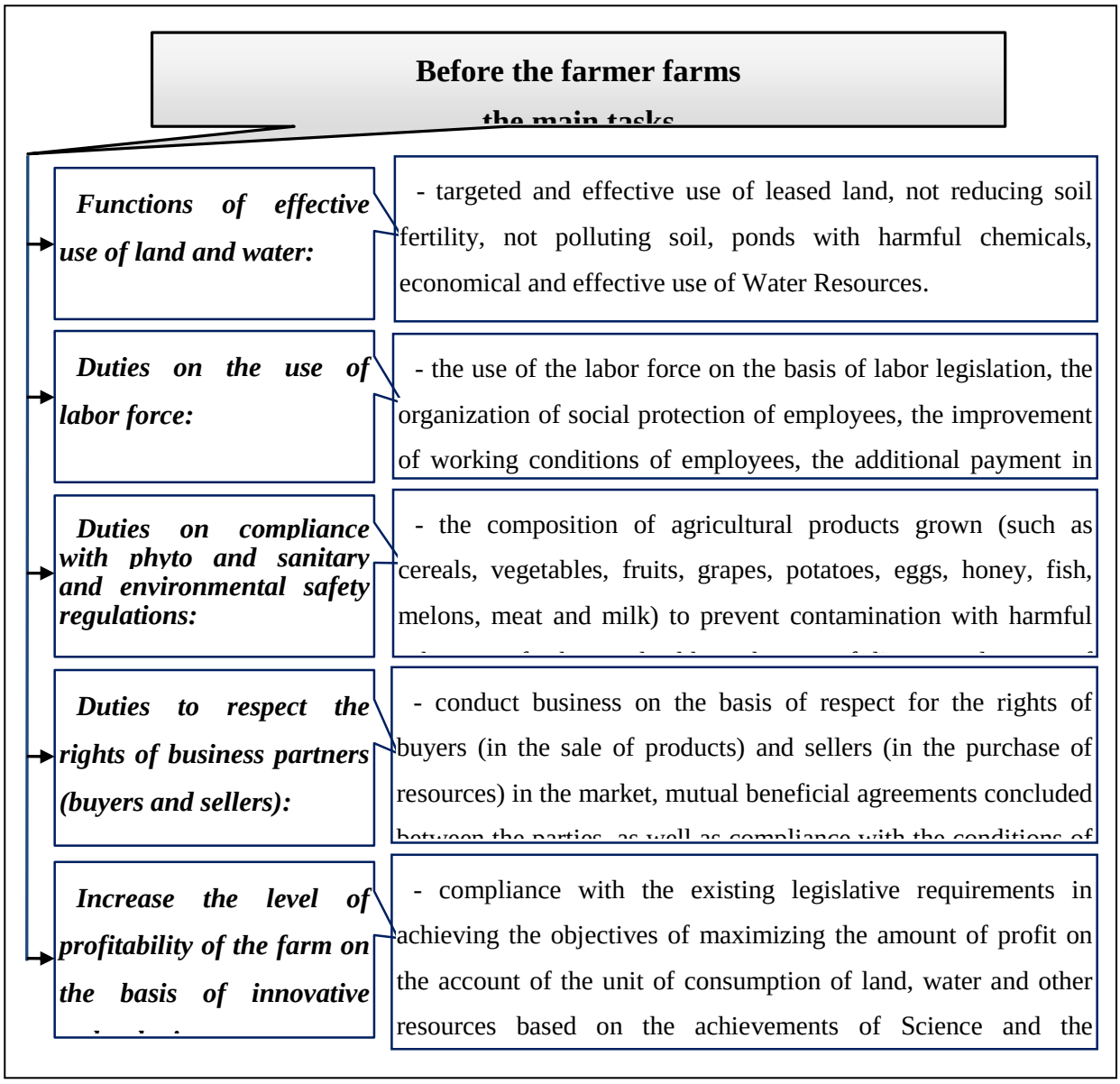
- Social Security - improving working and living conditions; ensuring employment of himself and his family members; financing the education of family members, obtaining the necessary professional skills, participation in charitable events;

- spiritual self-esteem-realization of the right to work freely in society, raising their children in the spirit of respect for labor; being able to realize the spiritual and cultural needs of their family gives a strong impetus to the development of production.

Since property responsibility is under the responsibility of the head of the farmer's farm, he himself will respond to all activities. However, a number of tasks should also be set before the activity of the farmer's farm, which can be systematized as follows (figure 1.2).

The tasks for the effective use of land and water are the targeted and effective use of agricultural land plots rented for a long period by farmer farms within the scope of the activities envisaged in the land lease agreement, the fields of the crop do not reduce soil fertility, do not pollute the soil, water basins with toxic chemical compounds in the;

Tasks on the use of the labor force - the use of the seasonal labor force, hired on a permanent basis within the framework of which it operates in the Republic on the basis of labor legislation, the organization of social protection of employees, the improvement of working conditions of employees,



1.2-. Figure The activity of farmer Farms is put before main functions [4]

It provides for the payment of additional wages to employees in accordance with the established procedure for working conditions harmful to human health, as well as the purchase of trips to health centers from the economic account;

The tasks of phyto-and vetsanitary and compliance with the rules of environmental safety – to prevent contamination with harmful substances, pathogens of diseases, gene modification elements in the composition of agricultural products (such as vegetables, fruits, grapes, potatoes, eggs, honey, fish, melons, meat and milk), which are grown in the farmer's farms within the framework of;

The tasks of phyto-and vetsanitaria and compliance with the rules of environmental safety are required to carry out agrotechnical measures in order to prevent contamination with harmful chemicals, pathogens of diseases, gene modification elements in the composition of agricultural products (cereals, vegetables, fruits, grapes, potatoes, eggs, honey, fish, melons, meat and milk) in the direction of food grown by farmer farms;

Business partners (buyers and sellers) should conduct their business on the basis of mutual beneficial agreements concluded between the parties on the sale of products and the use of various services, respect for the rights of buyers (in the sale of products) and sellers (in the purchase of resources) in the market, as well as compliance with the conditions of healthy economic competition in the;

The task of increasing the level of profitability of the farm on the basis of innovative technologies – within the framework of which the farmer farms set the only goal-is to maximize the amount of profit taking into account the unit of consumption of land, water and other resources on the basis of achievements of Science and the introduction of modern innovative technologies.

CONCLUSION

In addition to the above tasks, the farmer can also set up other functions that the state will serve in the economic interests of the society in front of the farms. For example, in order to provide the population of the Republic with relatively cheap and high-quality vegetable oil more fully, and to reduce the amount of impsorti necessary additives in the production of concentrate feed for the poultry sector, soybean crop fields have assumed the function of soybeans on the basis of the decree of the president of the Republic of Uzbekistan However, with the decision, a number of engagements have also been created for farmer farms, which will ensure economic justice.

In particular, the Ministry of Agriculture and "Uzpakhtayog" JSC imposed on the provision of farmer farms with quality seeds, the authorities of the regions, the Central bank, the "Uzneft Products" JSC with the necessary amount of petroleum products, the scientists of the sector to organize seasonal educational-visual seminars on the Republic of farming, providing farmers with the necessary recommendations, and "Uzagroservice" JSC the designation in the adjective Shular is from the sentence.

In order for a farmer to perform his duties as a full-fledged entrepreneur, he must have extensive economic, legal, agrotechnical knowledge and skills, in the management of the farm, the ability to make the necessary decisions. Ferm assessment of the level of risk, risk in the activities of workers, the ability and experience of business planning of production are important.

Proceeding from the above, in the deepening of economic reforms in agriculture, the protection of the property rights of farmers, the free development of the results of their labor, ensuring the practical strengthening of the sense of material viability, forms the basis for the future development of the farming movement.

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FOREIGN ECONOMIC ACTIVITIES OF UZBEKISTAN UNDER THE IMPACT OF THE WORLD PANDEMIC

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ABSTRACT

This article explores an in-depth analysis of Uzbekistan's foreign economic activity in the context of a pandemic. The legislation of the republic on foreign economic activity was also considered. Analyzes of export-import operations were given. Proposals and recommendations on the impact of the pandemic on the economy and ways out of it have been developed.

Key words.*Foreign economic activity, pandemic, export-import operations, export-oriented economy, gold and foreign exchange reserves.*

Introduction

The active and comprehensive development of economic, scientific, technical and cultural ties between countries is an important factor and means of strengthening friendly relations between states, contributes to the successful solution of many economic and social problems, the effective use of available productive forces and resources. Most importantly, the states gain confidence in each other, the desire to maintain and develop these ties, and, in especially necessary cases, to provide all possible economic assistance.

Any state, small or large, today cannot do without foreign economic relations, since the range of goods produced in the world is several million varieties and no state is able to produce all of them at home. Therefore, foreign economic activity is one of the important means of meeting the various needs of the state, improving and improving the efficiency of the economy, it helps to accelerate scientific and technological progress, the convergence of nations and nationalities, as a result, raising the power of the state and the standard of living of the population.

In the period of the former Soviet economy, Uzbekistan was deprived of the possibility of independent participation in foreign economic activity, did not have direct access to the world market, all its external relations were closed within the borders of the former Union and the Council for Mutual Economic Assistance (CMEA). In the foreign trade turnover of Uzbekistan, almost 85% of its volume accounted for trade with the former Soviet republics. In other words, all questions of the republic's participation in foreign economic relations were decided under the dictation and desire of the so-called Center.

The imperfection of the foreign economic activity of the Soviet period, on the one hand, and the dependence of the republic on the instructions and desires of the Center, on the other, can be evidenced by the following data. So, in 1990, products were imported into Uzbekistan (in the previous monetary terms) for 14,661.8 million rubles, while exports amounted to 9,351.5 million, that is, imports exceeded exports by 5,310.3 million rubles. At the same time, more than 1/4 of the goods imported into the republic were mainly

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food, while the rest were non-food. Various machines, equipment, vehicles, raw materials and materials accounted for about 9% of imports.

Let's note something else. As practice shows, a noticeable “weather” in the development of foreign economic relations of the state is made by enterprises, primarily large and industrial ones, entering the world market with their diverse and high-quality products. In Uzbekistan, before it gained its state independence, most large enterprises had an agricultural orientation, mainly cotton. These are enterprises such as Tashselmash, Uzbekselmash, Chirchikselmash, Tashkent Tractor Plant (TTZ) and others.The products of these enterprises were used mainly in the republic, there was no access to foreign markets, therefore, there were no foreign economic "tie-ins" in this area. For these and other reasons, the “picture” of foreign economic relations and achievements in this area in the republic cannot, unfortunately, be called successful.

The current economic situation, thus, dictated the need to accelerate the formation of its own system of management of the foreign economic complex, developing its own principles for the establishment of external relations, independently determining the path of integration into the global economic system.

At the same time, the opened up opportunities for economic cooperation determined the enormous responsibility and exactingness in the organization of foreign economic activity. In June 1991, the Law “On foreign economic activity of the Republic of Uzbekistan” was adopted, which defined, first of all, the concept of foreign economic activity, as well as the powers of the state, objects and subjects of foreign economic activity (FEA). The adoption of this law pursued not only the improvement of the process of managing foreign economic activity, but also the subordination of this sphere to the fundamental needs and interests of the republic.

The following were defined as the most important powers of the state by the law:

- Establishing the legal basis for the organization of foreign economic activity;
- Development of strategy and implementation of foreign economic activity;
- Conclusion and execution of international agreements in the field of foreign economic activity.

The adoption of this law opened and expanded access to the foreign market for a significant number of economic entities, which is important in terms of integration into the world economy not only of the republic as a whole, but also of enterprises, economic complexes and industries.This is especially important and even sensitive after more than seventy years of "reclusion", a period of closed economy, created in the conditions of the former planned and centrally controlled economy, rejecting everything Western, including the market economy.

As a result of gaining state independence by the republic, the implementation of its own model of transition to a market economy, significant changes have occurred in the development of the economy, especially in terms of its liberalization. Considering all this, as well as the need to create legislation regulating foreign economic activity, close to the norms and rules of the world trading system, in May 2000, the law “On Foreign Economic Activity” was adopted in Uzbekistan in a new edition. In accordance with this Law, the subjects of foreign economic activity were defined as:

- Legal entities registered in the territory of Uzbekistan;
- Individuals with permanent residence in Uzbekistan and registered as individual entrepreneurs;

- State bodies of the Republic of Uzbekistan may carry out foreign economic activity, unless otherwise provided by law.

In order to improve the management of foreign economic activity and coordinate the work of various ministries, departments and associations, organizations engaged in trade and economic, monetary and financial relations and scientific and technical relations with foreign countries, the Ministry of Foreign Economic Relations (MFER) was established in February 1992, which now called the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan. However, even earlier, in September 1991, in order to provide services to foreign economic activity and increase its efficiency, the National Bank for Foreign Economic Activity was established, which was entrusted with the following tasks:

1. Organizing and conducting international settlements of Uzbekistan for export, import and non-trade transactions;
2. Service provided and received by the Republic of Uzbekistan interstate and intergovernmental loans and credits in foreign currency, as well as settlements on them;
3. Participation in the development of payment terms of intergovernmental agreements, as well as the solution of a number of other tasks.

These and other measures developed and implemented both in the economy and in the field of foreign economic activity have yielded positive results. For example, in 2000, the export of goods from Uzbekistan increased by 18.8% compared to 1999, and there were positive changes in the structure of exports: the share of finished products was 35.0% against 30% in 1999. 40 new types of products were exported from the republic, as well as 60 types of goods with high added value in the amount of more than 150 million US dollars.Cooperation was conducted with more than 120 countries of the world. At the same time, exports of products from Uzbekistan to Europe significantly exceeded exports to Asia. In the republic's foreign trade turnover, the share of the CIS countries was 35.9% against 41.2% in 1995.

In subsequent years, the achievements of the republic were even more significant. In 2011, the volume of export products produced by enterprises of Uzbekistan amounted to more than 15 million US dollars, which is 15.4% more than in 2010, and against the level of 2000 it increased by 4.6 times. In 2013, the volume of export products of the republic reached almost 20 million dollars.All this indicates not only the increase in the country's export potential, but also a big step in the export-oriented development. According to statistics, over the first twenty years of independence and independent development, Uzbekistan's foreign trade turnover increased 27.1 times, including exports - 29.5 times, imports - 24.2 times. At the same time, the positive balance of foreign trade of the republic increased by more than 53 times, ensuring a steady growth in gold and foreign exchange reserves, including the stability of the national currency.

Foreign economic activity is developing in the country not only through the entry of domestic enterprises into foreign markets, but also through the participation of foreign enterprises and companies, as well as investors in the Uzbek market. For this, joint ventures, free economic zones, international logistics centers, as well as favorable conditions for active investment and business activities have been created and continue to be created.Today, special evidence is no longer required that the creation of joint ventures and industries, the implementation of joint projects and programs, joint training of personnel, joint business contribute not only to economic and social progress, the growth of the country's production and economic potential, but also to the strengthening of mutual trust and respect. between countries, development of tourism, etc.

Unfortunately, the rhythm of constant moderate economic growth and improvement of foreign economic activity, which has been developed over the years of independence, was, to put it mildly, disrupted due to the coronavirus that emerged in December 2019 in China and subsequently spread to the whole world. As a result, in China itself, in January-February 2020, industrial production decreased by 13.5%, while foreign trade turnover decreased by 11.0%. This has affected value chains around the world accordingly.Uzbekistan was no exception. In the first quarter of 2020, the foreign trade turnover of the republic amounted to 8.1 billion US dollars, which is 10.0% lower than in 2019. At the same time, exports fell by 10.9%, while imports decreased by 9.7%. According to analysts and experts, the loss of world trade from the coronavirus pandemic exceeds the negative results of the 2008 global crisis. In the global market, there is a decrease in supply and demand, increased competition for foreign markets.

The fact that the pandemic has significantly increased mortality among the population, apparently, can not be said, although it was precisely ensuring the safety of people's lives that was the most important task and even the duty of not only doctors, but also the first leaders of states. The President of Uzbekistan Shavkat Mirziyoyev set the task of minimizing the impact of the pandemic both on people and on foreign economic activity. Not only quarantine measures were taken, but also a lot of work was done to increase production potential, implement new joint projects and programs, support export-oriented enterprises, insure export operations, etc.

For example, with Japanese partners, it was planned to implement 48 projects worth 5.6 billion dollars in such industries as geology, chemistry and petrochemistry, the banking and financial sector, healthcare and education. Together with the UAE, it was planned to implement joint projects in the fields of energy, chemistry and petrochemistry, agriculture, tourism and other areas. On the basis of joint cooperation with Japan and Korea, the development of foreign investments in the amount of more than 1 billion dollars was envisaged.The recent trip of the President of Uzbekistan to Russia is expected to bring new positive results not only in the field of foreign economic activity, but also in other sectors and sectors of the economy.

According to available forecasts, the pandemic will not soon end its presence and impact on both the economy and people. Therefore, the preservation of the old and the adoption of new quarantine measures will be of particular importance both for life support, and for the economy and foreign economic activity.However, the introduction of quarantine measures, as practice shows, leads to disruption of cross-border production and supply chains, and most importantly, to a decrease in the purchasing power of the population, and hence the aggregate global demand. This, in turn, leads to further intensification of competition for foreign sales markets.

Under these conditions, strengthening the competitive advantages and building up the export potential of the Uzbek economy is of particular importance. It is very important to strengthen the position of domestic enterprises in global value chains. In this regard, ensuring access of export-oriented enterprises to various financial instruments, including short-term preliminary export credits, bank guarantees and other effective measures, will play an important role.

The coronavirus pandemic is an unprecedented crisis that humanity is experiencing today. We can say that a pandemic is an epidemic that has significantly affected the activity of people, made many of them homebodies. Fighting it is not only the task of doctors and, as noted above, the first leaders of states, but also the population itself. It is important to comply with quarantine measures, to protect not only your own health, but also others, that is, how you can minimize external contacts. The safety and activity of people is a guarantee of achieving economic success.

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THE IMPACT OF EXCHANGE RATE ON ECONOMIC GROWTH IN THE REPUBLIC OF UZBEKISTAN

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ABSTRACT

This paper studies impact of nominal exchange rate on economic growth in the Republic of Uzbekistan. There is given comprehensive analyses of major indicators, as gross domestic product, governement expenditure, minimal wage rate and money suppply. Also there conducted study of relationship between these indicators in a long period basis. Some theoretical deliberations and econometric test were applied. The dataset included quarterly data for the period Q1 2016-Q4 2021. Obtained results can allow specifying the role of nominal exchange rate, and also generally might allow forecasting of possible trends of economic growth at all. Finally, there is given comprehensive summary on the relationship and role of nominal echange rate in Uzbekistan's economic growth.

Key words: *currency rate, economic growth, external balance, nominal exchange rate, governement expenditure, minimal wage rate, gross domestic product, interest rate.*

JEL classification: E40

Introduction.

In developing countries, there has recently been a growing focus on analyzing the impact of exchange rates on key macroeconomic indicators. The role of the exchange rate is significant as it affects the export sector of the economy, domestic production, consumption, investment, labor productivity growth, as well as interest rates.

Ensuring the required level of economic development is a very important issue for any country due to the competitiveness of local goods and services. Such supply allows a business entity of a particular country to take a leading position in the world market. This requires structural reforms based on the correct selection of economic tools and mechanisms, which also include an analysis of the impact of the exchange rate.

In contrast to the devaluation of the national currency, its appreciation intensifies investment policy. Consequently, this requires a radical improvement of the investment climate through large-scale structural changes and the strengthening of key institutions of the state. In addition, a "strong" monetary policy means increasing the real income of the population (Illarionov, 2002).

However, a slowdown in economic growth can be observed in the initial period. This is because a small state cannot set prices in the world market and will be forced to sell local goods and services at a price set by the market. Therefore, the export sector of such a country will be forced to leave the market or reduce profits.

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Literature review.

As it is important to provide a theoretical framework on exchange rate and economic growth, this section presents some established theories and empirical literature on the theme below.

Several empirical studies on relationship between exchange rate and economic growth, found by E.T. Gaydar and V.A. Mau (2001) that excessive strengthening of the national currency will lead to expected risks.

Contrary to the opinion of the above-mentioned economists, J. Calvo and K. Reinhart (2000) studied and analyzed the exchange rate fluctuations of different countries and concluded that the devaluation of the national currency has a negative rather than a positive effect. In particular, the currencies of countries with low and medium levels of development are included.

Moreover F.Makhlup (2001) conducted fundamental research in the areas of exchange rate supply and demand balance, factors influencing it, export and import elasticity, capital movements and transfers.

Australian economist T. Swan (1956), in his Swan Model, has conducted fundamental research on exchange rate policy and macroeconomic equilibrium in terms of a small open economy.

Economists R. Mandell and M. Fleming (1962) have fundamentally studied the impact of exchange rate policy on macroeconomics in terms of an open economy and different exchange rate regimes in the famous Mandell-Fleming model.

Economist A. Nagovitsin (2000) conducts extensive research on improving the theoretical and methodological framework of monetary policy and monetary relations, linking its effectiveness with the need to strengthen the institutional framework of monetary relations and their financial stability.

The research conducted by uzbek economists as T. Bobakulov and T. Rasulov (2007) also focuses on ensuring the stability of the exchange rate and improving the theoretical and methodological basis of currency relations.

In addition to capital movements, interest rates and international reserves also have a significant impact on the dynamics of the exchange rate. It is known from practice that the measures taken by developed countries under the floating exchange rate regime to influence the exchange rate are very weak. It is characteristic of these countries to rely more on changes in interest rates and international reserves in the process of adapting to macroeconomic fluctuations rather than on exchange rate fluctuations.

Methodology.

In this article main scientific-theoretical regularities are based on scientific-research methodologies as analysis, synthesis and comparison.

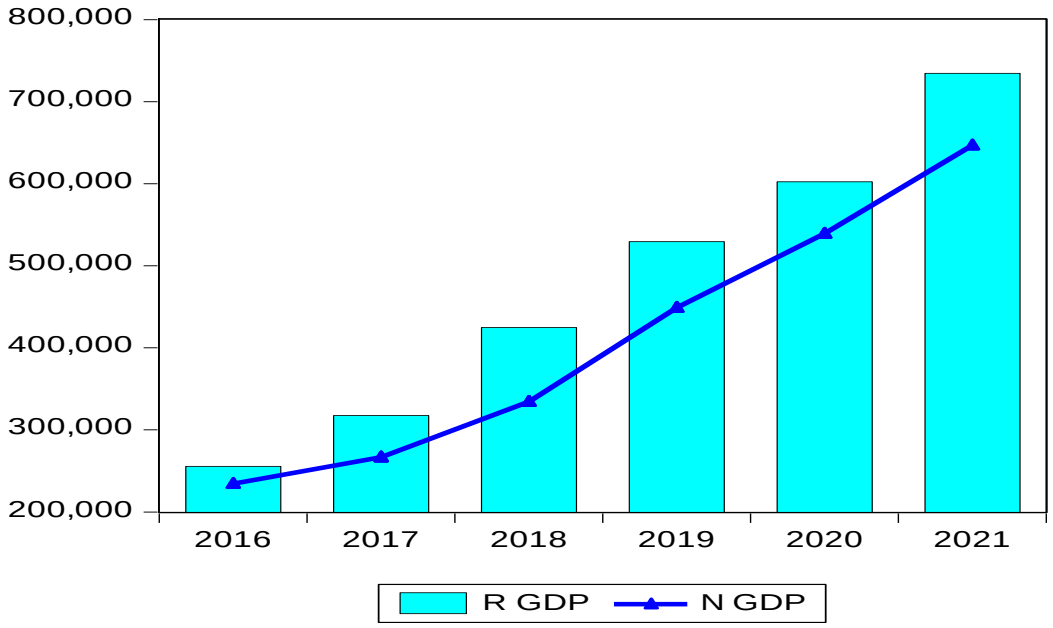
Annual time series data on gross domestic product, governement expenditure, minimal wage rate and money suppply of Uzbekistan covering the period Q1 2016- Q4 2021 were used in this study. Gross domestic product, governement expenditure, minimal wage rate data were obtained from official site of Statistic committee of the Republic of Uzbekistan. Average currency rate, interest rate and money suppply were obtained from official site of Central Bank of Uzbekistan. All variables were converted to the natural logarithm.

On the other hand, in order to study the relationship between nominal echange rate and GDP there have been used econometric models as Phillips Perron test, Johansen cointegration test, Granger casualty test, Autoregressive conditional heteroskedasticity (ARCH), Vector Autoregression (VAR) model and Least square method (OLS).

Main part.

Before discussing the relationship between the nominal exchange rate and individual sectors of the economy, let us consider the relationship between the exchange rate and GDP growth (Fig. 1)

Figure 1. Dynamics of real and nominal GDP of Uzbekistan (2016-2021 yy.)



Uzbekistan's real GDP (R GDP) in the fourth quarter of 2016 amounted to 47,816 mln. soum as well as nominal GDP (N GDP) amounted to 43,278 mln. soum. In 2019, R GDP was 529,391 mln. soum and nominal GDP amounted to 448,979 million soum respectivly. In the fourth quarter of 2021, Uzbekistan's real GDP reached 734,587 mln. soum and N GDP amounted to 646,876 mln. soum.

We summarize the possible directions of impact on the exchange rate and present them in Table 2. Indeed, the magnitude and nature of exchange rate effects depend on exactly what factors ensure a country's economic growth, in other words, what structure the economy has. It analyzes the conditionally short and long-term periods of depreciation and staffing of the national currency.

Table 2. Possible areas of influence of the national exchange rate

Depreciation of the national currency

In the short term	*In the long term*
• The volume of imports decreases with the increase in the price of imported goods • The flow of external financial resources decreases	• Reduced prices for exported goods (increasing the efficiency of production of exported goods with competitive goods) • Declining confidence in the national

• The living standards of the population are declining	currency • Inefficient economic structure • Increase in external debt

Appreciation of the national currency

In the short term	*In the long term*
• The volume of imports increases as the price of imported goods decreases • The flow of external financial resources will increase	• The price of exported goods will increase • Production growth slows • Export rates are declining • Investment will increase • Real incomes of the population will increase

Empirical results.

The effect of the exchange rate on economic activity is observed through both aggregate demand and aggregate supply. In terms of aggregate demand, GDP can be expressed by the following formula:

$$\boldsymbol{Y = C + I + G + X - U} \qquad \textbf{(3)}$$

In this case, Y - GDP, C - consumption, I - gross investment, G - government spending, X - export, U - import.

Theoretically, the depreciation of the sum leads to an increase in exports and a decrease in imports, which in turn leads to an increase in GDP.

On the other hand, the devaluation of the sum implies an increase in prices, which leads to a decrease in aggregate demand (leading to a decrease in economic activity).

In terms of aggregate supply, GDP can be expressed by the following formula:

$$\boldsymbol{Y = f(K, L, T)} \qquad \textbf{(4)}$$

In this case, Y - GDP, K - capital, L - labor, T - technological progress.

In terms of aggregate supply, the devaluation of the sum leads to an increase in the price of imported manufactured goods and, consequently, a decrease in aggregate supply (leading to a decrease in GDP).

Based on the above equations, let's look at the exchange rate as an explanatory variable and try to assess the relationship between the sum rate and GDP. To do this, we consider the factors influencing GDP through aggregate demand and supply.

The variables used in the demand equation (4) can be expressed as separate functions - C (Y), I (R), G (G), X (R, E), U (R, E). Then we give the following form:

$$\boldsymbol{Y = l(R, G, E)} \qquad \textbf{(5)}$$

Where: Y - GDP, R - nominal interest rate, G - government spending, E - nominal exchange rate.

Instead of nominal interest rates, we obtained an M0 monetary aggregate (cash in circulation) that was inversely proportional to the interest rates. Thus, in terms of demand, GDP can be expressed as the following regression equation:

$$\boldsymbol{Y = \alpha 1 + \beta 1 * M0 + \gamma 1 * E + \delta 1 * G + \varepsilon 1} \qquad \textbf{(6)}$$

Here: Y - GDP, M0 - cash in circulation, E - nominal exchange rate, G - government spending, a1b1g1d1 - regression coefficients, e1 - regression balances.

From the point of view of supply, the factors influencing capital and labor are the interest rate, the exchange rate and labor, the relationship between which can be expressed using the following formula:

$$\boldsymbol{Y = \alpha 2 + \beta 2 * W + \gamma 2 * M0 + \delta 2 * E + \varepsilon 2} \qquad \textbf{(7)}$$

In this case, Y - GDP, W - average monthly wage, M0 - cash in circulation, E - nominal exchange rate, $\alpha_2\beta_2\gamma_2\delta_2$ - regression coefficients, ε_2 - regression balances.

Combining the aggregate supply and demand equations, we obtain the following formula:

$$\boldsymbol{lnY = \alpha + \beta * lnM0 + \gamma * lnE + \delta * lnG + \eta * lnW + \varepsilon} \qquad \textbf{(8)}$$

In this case, Y - GDP, M0 - cash in circulation, E - nominal exchange rate, G - government spending, W - average monthly wage, α, β, γ, δ, η - regression coefficients, ε - regression balances. All variables are logarithmically corresponding.

The variables in our analysis cover the quarterly data for 2016-2021. In the following table, we refer to the correlation matrix of these variables (Table 9).

Table 9. Correlation coefficient of macroeconomic variables

	LN_Y	LN_E	LN_W	LN_G	LN_M0
LN_Y	1.000000	0.593765	0.592932	0.978647	0.644613
LN_E	0.593765	1.000000	0.858749	0.692265	0.939558
LN_W	0.592932	0.858749	1.000000	0.736291	0.876786
LN_G	0.978647	0.692265	0.736291	1.000000	0.747482
LN_M0	0.644613	0.939558	0.876786	0.747482	1.000000

Source: E-view statistical package – version 10.

From the data presented, it can be seen that the signs of the correlation coefficients of the variables were economically expected. According to the correlation matrix coefficients between GDP and the sum rate (0.56), the average monthly wage correlation coefficient (0.59), government spending (0.97) and the money supply (0.64) showed a correlation coefficient.

To check their stationary condition, we perform the following several tests:

Table 10. Common root test

Phillips Perron test	-3.864438	1% critical value	-3.752946
		5% critical value	-2.998064
		10% critical value	-2.638752
* McKinnon critical values for rejecting the unit root hypothesis.			

Source: E-view statistical package – version 10.

Thus, the extended Phillips Perron test shows that the time series under consideration is not stationary. The hypothesis of the existence of a unit root is rejected at all the levels of significance considered, and therefore the modified series is stationary, while the original series is first-order integral. A similar analysis was performed for other time series.

Engel and Granger argue that a linear combination of two or more non-stationary rows with the same integration order can be stationary. If such a stationary linear junction exists, it is common to say that the rows are cointegrated. A stationary linear compound is commonly referred to as a cointegration equation, which can be interpreted as a relationship between variables.

Table 11. Johansen cointegration test

Johansen cointegration test			
Null hypothesis	**Trace statistics**	**Maximum Eigenvalue statistics**	**(Prob.)**
r=0	129.0109	69.81889	0.921594
r<1	73.00210	47.85613	0.842111

At the same time, the levels of cointegration in the hypothesis of zero were 129.01 (Trace stat), 69.81 (max. Specific value). Source: E-view statistical package – version 10.

As part of the Johansen test, two auxiliary tests were performed (the Trace test and the Max specific value test). In both tests, the zero hypothesis is that r with most of the cointegration vectors, and an alternative option is that they be r + 1. In this case, the number r is called the degree of cointegration.

Table 12. Granger causality test

Granger causality test			
Null hypothesis	**F-Statistics**	**P-value**	**Result**
LN Y does not Granger Cause LN E	0.85390	0.4432	Not to refuse
Ln W does not Granger Cause Ln E	0.12933	0.8795	Not to refuse
Ln G does not Granger Cause Ln E	0.51139	0.6086	Not to refuse
Ln E does not Granger Cause Ln Y	5.17255	0.0176	Refuse

In the Granger causality test, the F-statistic showed the effect of the exchange rate on economic growth (0.85). Source: E-view statistical package – version 10.

In the Granger causality test, too, economic growth (LN Y) showed a degree of correlation with the nominal exchange rate.

Also, we now use the least squares method (OLS), autoregressive conditioned heterosectasticity (ARCH), and vector autoregression (VAR) models to analyze the relationship between economic growth and the nominal exchange rate.

$$\boldsymbol{lnY = \alpha + \beta * lnM0 + \gamma * lnE + \delta * lnG + \eta * lnW + \varepsilon} \qquad \textbf{(13)}$$

In this case, Y - GDP, M0 - cash in circulation, E - nominal exchange rate, G - government spending, W - average monthly wage, α, β, γ, δ, η - regression coefficients, ε - regression balances. All variables are logarithmically corresponding.

Based on this formula, we constructed our model using the 2016 and 2021 quarter data (Table 14).

Table 14. OLS, ARCH and VAR models of economic growth and exchange rate

Model statistics	Model 1 (OLS)	Model 2 (ARCH)	Model 3 (VAR)
R-square	0.983813	0.983794	0.977751
Adjusted R-square	0.981385	0.981363	0.957525
S.E. of Regression	0.102634	0.102694	0.078007
Sum Squared Residual	0.210676	0.210919	0.084211
Log Likelihood	22.77134	24.70519	30.84537
Mean Dependence Variance	12.29593	12.29593	8.951963
S.D. Dependence Variance	0.752240	0.752240	0.408605
Akaike Infor. Criterion	-1.564278	-1.475432	-11.57664
Schwarz Criterion	-1.131833	-1.131833	-8.849034
F-Statistics	-1.309403	-24.24892	48.34098
Prob (F-Statistics)	0.2052	0.0000	0.0162

Source: E-view statistical package – version 10.

In our first model (OLS) small squares method, the determination coefficient of the relationship between economic growth and the nominal exchange rate dependence shows R-square (0.9838), regression standard error (0.10), square sum balance (0.21), S.D. bond variable (0.75), mean dependence difference (12.29) and Prob F-statistics (0.2052).

In our second (ARCH) model, the coefficients of dependance illustrates R-square (0.9837), regression standard error (0.10), square sum balance (0.21), S.D. bond variable (0.40), mean dependence difference (12.29) and Prob F-statistics (0.0000). The indicators of our two models above showed results close to each other.

In our third (VAR) vector autoregression model, the coefficients the relationship between economic growth and nominal exchange rate showas R-square (0.97), regression standard error (0.07), square sum balance (0.08), S.D. the garden variable (0.75), the mean correlation difference (8.9), the Akaike criterion (-11.57664) and the Prob F-statistic (0.0162).

As in the cointegration equations in our three regression models above, the coefficients of the variables have the expected values. The relationship between the national exchange rate and economic growth (gross domestic product) of the Republic of Uzbekistan indicates that an increase in the sum exchange rate leads to an increase in gross domestic product of the Republic of Uzbekistan. In fact, this is in line with the views of economists Diaz-Alejandro (1963), Krugman (1987), Barbone (1987), who empirically showed that the long-term appreciation of the national currency leads to economic activity.

Conclusions

As a result of our analysis, the positive relationship between the exchange rate of the Republic of Uzbekistan and economic growth (GDP) can be explained by a number of factors:

1. Given the small size of the national economy relative to the countries of the world, the role of imported raw materials and means of production in the country's production process is important. From this point of view, if the sum is valued, this group of goods will lead to a reduction in the cost of production, as well as an increase in domestic production on other equal terms.

2. The appreciation of the sum within the framework of foreign investors will increase confidence in the economy of Uzbekistan, which will increase the volume of foreign direct investment in the country.

3. From the point of view of export, in the period under review, both prices and external demand for goods exported from the Republic of Uzbekistan are observed in world markets. As a result, the volume of exports will increase in the context of appreciation of the uzbek soum.

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PRINCIPAL AREAS OF REGULATING INNOVATIVE PROCESSES IN UZBEKISTAN

Samadkulov Mukhammad[1]

ABSTRACT

This article analyzes innovations, innovative potential and methods for its calculation, the innovative potential of Uzbekistan and its current state, and also identifies existing problems in this area and develops scientific and practical recommendations for their solution.

Keywords: *innovation, innovation potential, digital economy, financial performance.*

At present, the economy of the Republic of Uzbekistan "... it is desirable to have branch research institutions, design bureaus, experimental-production and innovation centers in every field of production." [1] Because it is impossible to imagine the socio-economic development of the country without innovation. To this end, the issues of improving the mechanism of regulation of innovation processes in the country are an objective necessity.

Modern approaches to regulating the development of innovative potential show that three types of strategies can be used: active government intervention, decentralized governance, and, finally, “mixed” strategies.

Currently, the strategy of "active state intervention" is used in the Netherlands, Japan, France and other countries. In its implementation, the following principles of innovation policy are followed:

First, scientific, scientific-technical and innovative activity is taken into account as a key factor of economic growth;

Second, the regulatory framework of domestic and foreign policy and the legislative system will be radically reformed;

Thirdly, on the one hand, there will be interaction with public administration bodies, on the other hand, with innovators and consumers;

Fourth, important projects and programs that promote the innovative development of the national economy are funded by the state. [3]

The “decentralized management strategy” (USA, UK, etc.) has a relatively complex mechanism in which the state retains a key role, but does not use strict administrative tools in regulation. The main directions of this strategy include the creation of conditions to increase the activity of innovation participants (tax, financial and other benefits), the formation of demand for strategic innovations through the allocation of public resources, a system of measures to ensure the active participation of the public sector in innovation; . [5]

is used by countries such as the People's Republic of China (PRC), where the public sector is the main part of the economy and supports the export-oriented nature of the innovation sector . Here, active intervention is applied to public enterprises, while to others (private, public, etc.) a decentralized strategy of regulation is applied.

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According to the description of the policy pursued by our country in the field of innovation and science and technology, a "mixed" strategy is used. The need for financial support for research, invention, development and innovation is also endorsed by the three strategies outlined above, however, budget constraints and the focus on the country's socio-economic development constantly make efficient allocation of resources one of the most pressing issues.

Priorities for direct government funding of innovations are usually high risk, high costs and long time to cover them (large-scale innovative projects across the country), uncertain commercial directions (fundamental research), the level of interest does not correspond to the private sector. focused. [6] In addition, the state itself is the main buyer of R&D (research and development work) in areas producing high-tech products (such as military equipment) or national development as a result of increased competition in the world market. producers use a direct method of financing innovation activities in the event that losses become apparent. [7] In other cases, the state focuses more on supporting private capital investment in the innovation sector. It is no coincidence that in recent years in developed countries, measures to support high-knowledge-intensive production have shifted from direct funding to direct funding. This is because practice shows that the indirect financing method is highly effective.

At present, the financing of innovation processes in our country is carried out within the framework of major projects at the national level. Higher education and research institutions are mainly involved in this process. (Table 1)

According to Table 1, in recent years, the volume of funding for science in Uzbekistan has been less than 0.3% of GDP, while worldwide this figure averaged 2.14% of GDP, which is 11 times lower than in our country. remains. According to a number of international organizations, in 2020, expenditures on research and development (R&D) in relation to GDP in the United States - 2.79%, Japan - 3.29%, Germany - 2.93%, France - 2, 22%, in Sweden - 3.28%, in Israel - 4.25%, in South Korea - 4.23%. [8] Studies have shown that an average of 30-50% of public spending in developed countries is spent on national R&D and to encourage the development of small innovative businesses.

Table 1 Financial structure of innovation potential [1]in Uzbekistan

	Indicators	Unit of measurement	2015	2016	2017	2018	2019	2020
1.	Volume of investments in R&D (in relation to GDP)	%	0.1	0.12	0.2	0.3	0.3	0.3
2.	Volume of investments in intangible assets	%	11	11	12	12.5	12.3	12.7
3.	The amount of own funds of enterprises in scientific research and development	%	17	17.3	18	21	21	21.7
4.	The amount of budget funds allocated	%	2.8	3.7	5.1	5.7	6.4	8.5

[1]This table is based on data from the State Statistics Committee of the Republic of Uzbekistan.

	for research and development.							
5.	The share of expenditures allocated to R&D in GDP	%	0.02	0.1	0.14	0.19	0.22	0.28
6.	The share of expenditures allocated for R&D in the state budget	%	1,2	1.5	1.9	2.1	2.7	3.2

There are a number of factors in Uzbekistan, such as very narrow coverage of higher education, low level of training of engineers and technicians, insufficient development of ICT (low level of public awareness, slow speed of Internet transmission, high cost of Internet services), lack of mechanisms to commercialize innovations has a negative impact on the process of creating innovative goods and services. Inefficient use of the innovative potential of the national economy, even when all resources in the country are fully engaged, can lead to a decline in living standards and economic growth, as well as the deterioration of the country's economic security. Therefore, there is an objective need to improve the material structure of innovation potential in the country. The analysis showed that the material basis of the innovation industry in the country, that is, the renewal of fixed capital is not satisfactory. (Table 2)

Table 2 Material structure [1]of innovation potential in Uzbekistan

	Indicators	**Unit of measurement**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
1.	Depreciation rate of fixed assets	Per year	67	78	61	56	57	61
2.	The total value of fixed assets in the field of science	%	31	28	32	33	37	34
3.	A sosiyrenewal rate of funds	%	9	12	12	14	15	15
4.	Organizations implementing R&D	%	1.1	1.3	1.8	2.4	3.4	4.7
5.	Innovative active enterprises	%	9	9	11	13	18	21
6.	Innovative active enterprises in the industrial sector	%	6	6	8	9	12	11

It can be seen from Table 2 that in recent years the depreciation rate of fixed assets in the country is 61%, and their renewal rate is on average 13%. This, in turn, is one of the factors hindering the innovation process in the country.

Research has shown that the share of those offering innovative goods and services among the enterprises currently operating in the country is very low. At the end of 2020, the number of enterprises and organizations operating in the Republic of Uzbekistan (excluding farms and dehkan farms) amounted to 289.7 thousand, of which only 2416 (or 0.8%) introduced innovations. However, not only today, but in the 2000s, the share of innovative enterprises in Russia was 8-11%, in Eastern Europe 20-30%, and in Western Europe 40-50%. [13]

[1]This table is based on data from the State Statistics Committee of the Republic of Uzbekistan.

Research has shown that the main areas of state support for innovation capacity building in the country are:

1. Coordinating the development of innovative activities. At the same time, the state faces the task of defining strategic directions for the development of innovation processes and creating conditions that fully meet modern requirements to ensure their effective implementation.
2. Supporting the development of small businesses and private entrepreneurship engaged in innovative activities. It is a set of socio-economic, normative-legal, ideological and other types of methods aimed at creating favorable conditions for their activities.
3. Creating an effective legal framework in the field of innovation processes. This will require not only amendments to social and technological changes, the formation of legislation that will maintain its stability, but also real mechanisms to ensure its implementation. Their main purpose is to regulate relations in the field of intellectual property, legal protection and use of various inventions, utility models and industrial designs. These laws regulate the relations between the subjects of scientific and scientific-technical activities and consumers of innovative goods and services.
4. Formation of scientific and innovative infrastructure. At the same time, government agencies provide legal, economic, political, business consulting and other services to innovators. The state can also act as an intermediary between innovative entities, assist in the search for partners, and enter into contracts under state guarantees. To do this, the state must ensure the effective operation of the information and communication system, which is one of the main channels of dissemination of news at the level of international standards in order to increase the competitiveness of national innovations in the global innovation market.
5. Encouraging innovation. The main focus is on creating a healthy and strong competitive environment among the participants of the innovation process and supporting them on the basis of various financial benefits. Here we are talking about tax breaks. That is, an enterprise that is not interested in developing a new type of product or technology does not spend its income in the traditional "market" environment to implement or finance R&D. This is because the results of scientific research may not be as useful in the near future.

It should be noted that the current situation in the country in the field of stimulating innovation requires the development of a number of additional measures in addition to the above mechanisms.

In our opinion, in order to stimulate innovation processes, it is advisable to introduce the following special benefits in the field of taxation of innovators:

- In determining the amount of the taxable base, in order to reduce its size, to allow the R&D to completely deduct the intangible costs incurred from current expenses;
- Creating conditions for the transfer of expenses for R&D from the tax base to a period convenient for the enterprise. This is more beneficial for innovative firms that are being restructured and for enterprises that do not currently have sufficient funds to take full advantage of existing benefits.
- Providing tax credits. This privilege allows industrial enterprises to reduce income tax by a certain percentage of the costs incurred by the R&D for a certain period of time or by its growth.

1. Supporting innovation in the social and environmental spheres. Here we can observe two situations that are opposite to each other. On the one hand, while the state itself supports innovations that ensure social sustainability and ecological balance, on the other hand, the negative effects of scientific and technological progress can only be overcome at the state level.
2. Enhancing the social status of innovative activities. At the same time, the state organizes advocacy work on scientific and technical achievements and innovations, encourages innovators, provides them with social protection, etc.
3. Control and regulation of the process of reproduction of fixed capital in the conduct of research and experimental design work. Studies have shown that most of the fixed capital of most industrial enterprises in the country is obsolete. The share of obsolete machinery and equipment in them will average 38.1% by 2020, while most of them have been used for more than 10 years. Depreciation of fixed assets in the food industry is more than 55%, in the machinery and metalworking industry - 48.8%, in the building materials industry - 47.4%. The main technical equipment is 70-75% obsolete, and their replacement requires a large amount of investment. The rate of renewal of fixed assets in the industrial sectors of the economy decreased from year to year and amounted to 9.3% in 2020 (12.4% in 2010). Their unemployment rate increased from 2.7% in 2010 to 3.0% in 2020 [14] .

In our opinion, it is necessary to deepen the reforms in the field of depreciation policy as a factor in increasing investment activity, the application of the method of accelerated depreciation of fixed assets used for the implementation of R&D. The following system of measures can be included in this direction:

- To study and revise the experience of developed countries on depreciation rates based on the expiration of the service life of the existing active part of fixed capital in the country;
- Significantly strengthen state control over the targeted use of depreciable resources, ie, place them in special accounts and prevent them from being "eaten up". To this end, the placement of temporarily idle funds formed at the expense of depreciation allowances in commercial banks on the condition of indexation to prevent their depreciation as a result of inflation;
- It is necessary to change the current state of the capital indexation procedure in the form of cash. This is because the methods and tools currently used cause significant losses in investment resources in the context of high and unstable inflation rates. This, in turn, makes the process of regenerating fixed capital costly for businesses.

In conclusion, it is difficult to develop a single system of measures for the rapid development of the innovation sector, but it is necessary to have a clear strategy.

In our opinion, it is necessary to develop a system of measures to equalize the level of income by the state in the creation and sale of innovative products. It is desirable that the income of the authors who created the innovation be the same as that of its producers. Depending on the income of the inventors, the income of the producers must be formed.

There is a great opportunity to increase the innovative potential of the country through the rational use of market mechanisms. To do this, first of all, it is necessary to pay attention to the need for business entities (region, industry, enterprise, organization, etc.) to fully comply with market regulations and their enforcement

mechanisms. In a modern market economy, the development of the country's innovation potential cannot be achieved without the development of effective innovative marketing strategies and tactics. [12]

Typically, the concept of innovative marketing is defined as an organized systematic mechanism for managing the process of realization of goods and services (R&D, inventions, know-how, etc.) offered by innovative enterprises and organizations on the basis of market rules. [5]

In our opinion, innovative marketing should be viewed not only from the point of view of the producer, but also from the point of view of the consumer. After all, it is they who determine the dynamics of innovative potential. The field of innovation marketing is the innovative market. In this market, a single product or service can be represented as the end product of a particular enterprise (research institutions or design bureaus) in the "exit" and in the "entry" of another consumer enterprise.

In economics, the concept and activities of marketing should be distinguished from each other. The concept of innovative marketing reflects the market goals of innovative firms, and this activity should be based on knowledge of the demand for innovative products and the rules of the innovative market.

The concept of authorship given to the innovative marketing concept proposed by us is broader than the concepts presented in the marketing literature from the consumer's point of view, but narrower in terms of its functions. The reason for its breadth is that any economic activity at all stages of the object life cycle must be directed to the consumer. Using a systematic approach, the management entity must ensure a high-quality "exit" of the innovation system (provided that its "input" is also of high quality), because at the same time it is an "input" for the consumer of the innovative product. The components of such a system are the defining criterion for the competitiveness of an innovative product created by research institutions (RI) and design bureaus (DB) to develop marketing strategies. These principles serve as an "exit" for an innovative marketing system and at the same time as an "entry" for the next sector of the system, namely RI. RI provides scientific confirmation of the level of competitiveness and technical characteristics of the object. "Exit" from the RI system is "entry" to the DB system.

In this scientific proposal, we have the following logic. The "introduction" of the marketing department provides information about customer needs and opportunities of innovative firms (personnel, normative and methodological documents, technical means, etc.). If in the marketing department in the research process none of the "input" components meets the quality requirements, then the quality of the "output" components does not meet the requirements of future consumers. This means that the "introduction" of RI in terms of components - will reduce the level of competitiveness of the object in the future. In this case, spending money in the later stages will be inefficient, because the object documentation (quality and resource savings) in the "exit" of the DB can not compete in the market. No matter how well the RI and DBs work, the lower the quality of the marketing department's output, the better the DB's output.

In order to implement this concept, it is necessary to first analyze the relationship between quality and the external environment and take measures to ensure high-quality "access". It is then possible to increase the efficiency of the system itself by improving the quality of processes and optimizing management.

In general, innovative marketing activities are aimed at creating new innovative products and markets, taking into account the characteristics of the firm's ability to maintain and increase its market share, the formation and use of regional resources in the process of meeting demand. This has a positive impact on the duration of innovative firms, the amount of profit from the sale of innovative goods or services, the level of profitability and profit margins, resulting in not only the formation of innovative potential, but also its growth. At

this point, we consider it expedient to focus on the most important and complex outcome stage of the innovation process.

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INTERNATIONAL EXPERIENCE OF GETTING OUT OF THE MIDDLE INCOME TRAP

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ABSTRACT

The article analyzes the dynamics of GDP growth rates in the countries of the world, it was revealed that a significant slowdown in economic growth is observed when the country reaches an income level above the average, which empirically confirms the presence of the middle income trap.

Keywords*: middle income trap, economic growth, stagnation.*

Introduction

President of the Republic of Uzbekistan Sh.M. Mirziyoyev in the Development Strategy of New Uzbekistan for 2022-2026 in the third priority area "Accelerated development of the national economy and ensuring high growth rates" emphasized the importance of goal 21, which states: "Increase in gross domestic product per capita in the next five years in 1, 6 times by ensuring consistently high growth rates in sectors of the economy, bringing its size to 4,000 US dollars per capita by 2030 and creating prerequisites for entering the category of “states with an upper-middle income”. In the modern world, an increasing number of countries are faced with a situation where, upon reaching an average level of development, economic growth stops, preventing the country from moving into the category of countries with a high level of income. In 2006, a new concept was introduced into economic circulation, which began to characterize such economic stagnation as the “middle income trap”. The need to create a name for such a phenomenon arose due to the fact that an increasing number of economies in the world, finding themselves in such a situation, could not find a way out of it. Thus, having outlined the problem of countries falling into a stage of stable stagnation at a certain stage of economic development, the attention of researchers was drawn to the lack of a structured action plan for the “hostages” of the economic situation. The relevance of the study is also confirmed by the fact that most emerging market economies, after achieving sustainable economic growth, fall into the situation of the “middle income trap”, but only a few manage to escape from it. Prosperous economies in the world include Singapore, the Republic of Korea, Taiwan and Hong Kong. The problem usually arises when developing countries are stuck in the middle due to rising wages and reduced price competitiveness, and are unable to compete both with advanced economies with high skills and innovation, and with low-income, low wages and cheap manufacturing economies. industrial goods. The “middle income trap” is a phenomenon hindering the economic development of developing countries. The phenomenon is that a country's economic growth is high when the country is in the low-income development stage, but the economic growth rate begins to decline, stagnate, or even fall into recession as soon as the country joins the middle-income rank, resulting in inability to progress further from the middle-income stage of development to the high-income category. The concept of the middle income trap was used historically for the first time in a World Bank report called the East Asian Renaissance in 1960. According to the World Bank [World Bank, 2012], out of 101 countries that reached in the 1960s. average income, only 13 managed to rise above, that is, to overcome the upper limit of this category.

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The World Bank currently classifies countries by income level based on national income per capita (GNI) calculated using the Atlas method. Since this indicator is calculated based on the current price in dollars, the criteria for classifying income groups change annually. The threshold for each income group is also regularly adjusted to reflect changes in inflation and the exchange rates of special drawing right (SDR) countries. Although the thresholds are adjusted in line with changes in exchange rates and inflation rates, the GNI per capita thresholds calculated using the Atlas method can be considered relatively fixed or treated as absolute income criteria, since nominal value adjustments take the real income level of SDR countries. as a guide. If a country can maintain positive real economic growth and maintain relatively stable exchange rates with SDR countries, the country will eventually reach the threshold for high-income countries. Table 1. Classification by income group (1995–2020).)[1]

Country groups	1995	2000	2005	2010	2015	2020
low income economies	<= 765	<= 755	<= 875	<= 1005	<= 1025	<= 1035
countries with lower-middle incomes (lower-middle incom eeconomies)	766–3035	756–2995	876–3465	1006–3975	1026–4035	1036–4045
upper middle income economies:	3036–9385	2996–9265	3466–10,725	3976–12,275	4036–12,475	4046–12,535
group - countries with high income levels (high income economies):	> 9385	> 9265	> 10,725	> 12,275	> 12,475	> 12,535

According to the World Bank, among 154 countries in 1987, the number of countries was high income 41 and middle income 74. Among the 74 middle income countries, the number of countries was lower middle income 46 and upper middle income 28; among 217 countries in 2015, the number of countries was high-income 79 and middle-income 107, of which 52 were lower middle and 55 were upper middle, respectively. Of the middle-income countries in 1987, 19 of them moved into the category of high-income countries, a quarter of middle-income countries in 1987. In this sense, only a minority of middle-income countries have managed to move into the category of high-income countries. Looking at Figure 1, we can draw the following conclusions. First, only about a third of the countries classified as low-income countries in 1960 moved up to the level of middle-income countries in 2008, and none of them have become high-income countries. Second, of all 101 countries that were classified as middle-income countries in 1960, only 13 successfully joined the club of high-income countries during the period 1960-2008. In addition, a significant number of economies classified as middle-income countries in 1960 were downgraded to low-income status in 2008. This fact shows that in the nearly 50 years since 1960, only a limited number of middle-income countries have moved up to the high-income rank, while the rest of the countries have fallen back into the low-income category, thus this phenomenon and is called the “middle income trap”. Third, most high-income countries recognized in 1960 remained in this category by 2008.

[1] Source: The World Bank

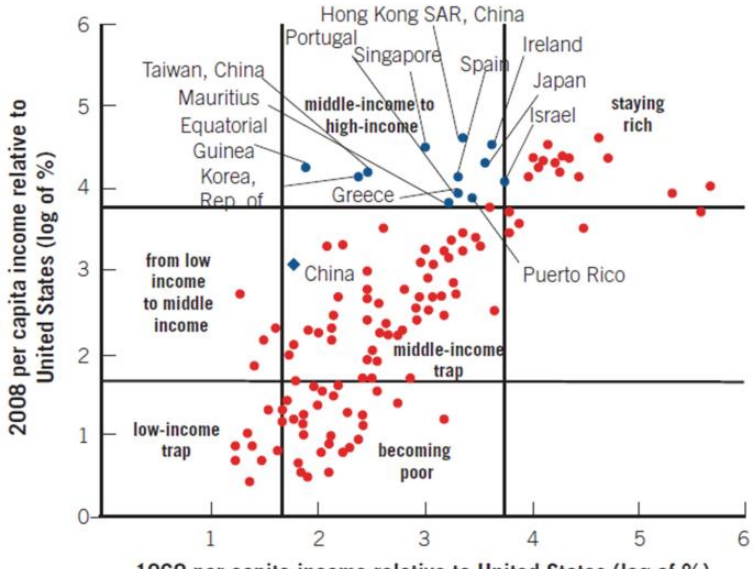

Figure 1. Per capita income by country relative to the United States (1960–2008). (Source: World Bank, 2012.)[1]

We can see from Fig. 1.1 that middle-income or similar-income countries showed a high degree of dispersion in 1960 compared to the United States in 2008, indicating that breaking through the middle-income trap is not easy and depends on sustaining relatively high growth rates over the long term . Analysis of the economies of countries that have successfully overcome the middle income trap shows that many of them are small countries or economies with less than 10 million people. For example, Mauritius, with a population of 1.26 million in 2016 and an urbanization rate of just 40% in 2016, is representative of developing countries in many dimensions. In fact, according to 2016 data, Mauritius cannot be classified as a high-income country in either absolute or relative terms.2

Another example is Equatorial Guinea—with a population of just 0.82 million in 2016, the country was also excluded from high-income countries based on these two criteria. In particular, although its GDP per capita is much higher than that of many developing countries, its development indicators show extremely poor performance in education and health. According to the United Nations Development Program Human Development Index (HDI) ranking, Equatorial Guinea continues to be a low HDI country, ranking only 135th out of 188 countries, indicating a highly unbalanced economic and human development of this country.[3]

Hong Kong and Singapore are typical small and open urban economies, and their rise to the high-income category is not representative of the wider middle-income countries or economies in 1960. It can be seen that, with the exception of the aforementioned economies, as well as Chinese Taiwan, the rest of the countries are members of the Organization for Economic Co-operation and Development (OECD), including Japan, South Korea, Israel, Portugal, Spain, Greece, and Ireland. The vast majority of developing countries

[1] https://link.springer.com/book/10.1007/978-981-15-6540-3
[2] According to the World Bank, its GNI per capita (PPP) amounted to 36 percent of that of U.S. in 2016; its GNI per capita (Atlas method) was 9770 US dollars in 2016, below the threshold of high-income group
[3] For example, life expectancy in 2015 was only 57.9 years and the average years of education received by people aged 25 and older was only 5.5 years.

have yet to overcome the middle income trap in 2008, by relative criteria. Figure 1.1 shows that middle-income or similar-income economies showed a high degree of dispersion in 1960 compared to the United States in 2008, indicating that it is difficult to overcome the middle income trap and depends on maintaining relatively high growth rates in the long run . Typically, countries trapped in the middle income trap have:

- Low level of investment;
- Slow production growth;
- Weak industrial diversification;
- Poor conditions in the labor market;
- A large number of pensioners

Eichengreen and colleagues analyzed a variety of factors that can, all other things being equal, reduce or increase the risk of falling into the trap:

- The higher the growth before the slowdown, the more likely it is to fall into the middle income trap;
- An undervalued national currency is a sure way to a trap;
- A significant proportion of citizens of retirement age also increases the risk of falling into the trap;
- A slowdown is generally less likely in open economies with a high quality of human capital;
- The more college-educated citizens in a country, the less likely a recession is.
- Countries with a relatively large share of high-tech exports are less susceptible to slowdowns;
- The slowdown is hampered not only by high-tech exports themselves, but also by the presence of a significant number of assembly plants in the country.[1]

Empirical evidence for the existence of a middle income trap includes such parameters as finding the income of the population of the country in the range of $2,000 to $7,500 in 28 years, or in the range of $7,500 to $11,500 in 14 years. Eichengreen believes that a country is in a middle income trap if the following conditions are met:

- Average per capita GDP growth in the last seven years prior to the recession was 3.5% or more (rapid growth);
- after a fixed point of decline, growth rates decline by at least two percentage points;
- GDP (PPP) per capita in 2005 prices above $10,000. Analyzing GDP per capita in the Republic of Uzbekistan, according to the calculations of economist B. Eichengrin, the probability of falling into the middle income trap may occur in the period after 2025.

[1] https://visasam.ru/emigration/vybor/vvp-stran-mira.html

Uzbekistan GDP per capita forecast[1]

	ВВП на душу населения в текущих ценах, $US	ВВП на душу населения, ППС, в текущих ценах, $US
2017	1,899.7	6,897.8
2018	1,611.2	7,318.6
2019	1,801.4	7,733.1
2020	1,767.5	7,808.9
2021	1,901.5	8,452.1
2022	2,078.9	9,007.4
2023	2,277.0	9,574.3
2024	2,501.7	10,166.2
2025	2,740.8	10,786.6
2026	3,002.2	11,436.7

The best way out of the middle income trap can be seen in South Korea. In the early 1960s Korea was a poor country with no natural resources. Due to cheap labor and government support for investment in export industries, Korea has built a successful industry. Investments were driven by financial and industrial groups, “chaebols” (from the Korean “che” - wealth / finance and “pain” - group), which used special mechanisms of state support and protection from foreign competition. Because investment in technology imports, rather than innovation, played a key role during the low-to-middle-income transition, the chaebol-based growth model was quite successful. As GDP and household incomes grew, this growth model, which required cheap labor, lost its advantages. By the mid-1990s, factor productivity in Korean industry had stopped growing. Crisis of 1997–1998 proved the unviability of the growth model based on chaebols. Its bankruptcy opened a window of opportunity for competitive reforms. Some chaebols have been restructured, some closed, and restrictions on foreign investors and independent companies (non-chaebol members) have been lifted. The result was a resumption of productivity growth and the transformation of the industrial economy into an innovative one. Korea has shown how to break out of the middle income trap.

Thus, it can be concluded that few middle-income countries move into the category of high-income countries. The “middle income trap” emerges as the combined result of a number of economic, social, political and international factors. To overcome falling into the middle income trap, a comprehensive analysis of various public policy areas is needed: improving education, increasing investment, infrastructure, more innovation and development of R&D.

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TOURISM DEVELOPMENT TENDENCIES IN SAMARKAND REGION UNDER THE INFLUENCE OF THE COVID-19 PANDEMEMY

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ABSTRACT

This article predicts the formation of demand in the tourism market of Samarkand region in the period of 2023-2026 years while using the method of extrapolation of dynamic series. Moreover, the impact of the COVID-19 pandemic was taken into account in the development of the forecast.

Keywords*:. tourism, tourism market, demand, forecast, extrapolation method, econometric analysis, specialized accommodation tools, hotel.*

Introduction

In recent years, in the context of globalization of international relations, integration processes in the world economy are constantly under the influence of deintegration factors (increasing number of "conflict points" around the world, the introduction and intensification of socio-economic sanctions, the spread of various diseases, etc.). At the end of December 2019, the spread of COVID-2019 in China was recorded, which has forced the whole world to change its attitude to socio-economic policy to this day. The global impact of the coronavirus epidemic has posed a serious threat to all aspects of the world - economic, social development and other areas. Nearly 90 percent of world economic activity is affected to some extent by the coronavirus pandemic. The economic damage caused by the coronovirus pandemic is mainly due to the decline in aggregate demand. This impact has had a significant impact on the economic situation of airlines, especially in the field of tourism and hospitality. As a result of the COVID-19 pandemic, tourism experienced its biggest crisis in its development period in 2020, with a sharp decline in demand in the sector, “international tourism flow decreased by 74% compared to 2019, and lost $ 1.3 trillion in tourism export revenues”.[2].

Tourism has been noted as one of the leading sectors of the world economy for the last twenty years, and its growth rates and share in global macroeconomic indicators have led to its recognition as a future industry. According to the World Tourism Organization, "in 2019, this sector accounted for 10.4% of world GDP, 6.5% of international exports of goods and services (1.6 trillion US dollars)."[3]. These trends have become the basis for comprehensive reforms aimed at developing the tourism sector as a leading sector of the national economy in Uzbekistan, which has a high tourism potential. The Decree of the President of the Republic of Uzbekistan Sh.M.Mirziyoev dated December 2, 2016 No. PF-4861 "On measures to ensure the accelerated development of the tourism sector of the Republic of Uzbekistan" provides for the restructuring and diversification of the national economy. A number of tasks aimed at accelerating the development of

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[2] https://www.e-unwto.org/doi/epdf/10.18111/wtobarometerrus.2021.19.1.1

[3] https://tourlib.net/wto/WTO_highlights_2020.pdf

tourism as one of the powerful tools to deepen employment, increase incomes and quality of life and make tourism one of the strategic sectors of our economy have been identified, and the main priorities have been identified.

More than 70 normative and legal acts adopted in 2016-2019 have created the primary and necessary conditions for the rapid development of the tourism industry in our country. Reforms aimed at developing the tourism sector as a strategic sector of the national economy have yielded positive results. The number of foreign visitors to Uzbekistan has been growing steadily every year. Thus, in 2019, the Republic of Uzbekistan was visited by 6748 thousand foreign tourists, which is 26.2% more than in 2018.

By the 21st century, tourism has become a way of life for everyone and has the potential to recover quickly after political, economic and social crises. Therefore, one of the most pressing issues today is the revival of the tourism industry and the ongoing economic reforms in the field, based on the current sanitary and epidemiological situation in the world.

Improving the mechanism of development of the regional tourism market and the development of the most effective plans for the development of the tourism industry and the selection of the optimal strategy based on them is directly related to the process of forecasting future development of the industry.

Predicting the main socio-economic trends in the development of the regional tourism market implies the use of special computational and logical methods that allow to determine the regression function of the interrelationship and interdependence of individual indicators representing tourism activities. There are now sources of information used in forecasting and forecasting, a mechanism for making predictions, many methods, and computer programs that incorporate them.

Analysis of the literature on the subject.

Demand in the international tourism market is formed under the influence of many factors, which include demographic, natural-geographical, socio-economic, political, logistical, etc. Therefore, the most important aspect of studying the consumers of tourist services, according to Baumgarten, is the study of the factors that influence the consumers of tourist services [1].

The development of tourism as one of the leading sectors of the world economy served as an impetus for the start of research on assessing the consequences of large-scale social, economic, political and natural events on tourism (Ritchie, 1984) [2], such events as the September 11, 2001 terrorist attack (Yu-Shan Wang)[3], terrorist attacks[4], the 2004 earthquake and tsunami, the 2008 financial crisis, the Olympic Games (Jennings, 2010; Lagadec, 2004[5]), etc.

The development of the tourism sector in the context of the global financial and economic crisis has been studied by many scientists and specialists from foreign countries (for example, Ritchie, Molinar and Fretchling, 2010 [6]; Smeral, 2009; Song and Lin, 2010 [7]; Mirela Mazilu, 2011 [8]; Maria del Mar Alonso-Almeida, Kerstin Bremser, 2013 [9]; Yu-Shan Wang, 2009 [10], etc.), as well as CIS countries (for example, Efremova M.V. 2010 [11] ; Gaidukevich L.M. 2012 [12], Plekhanov Yu.N., Ageeva E.S. and Bulatova Yu.N. 2009 [13], etc.).

To date, large-scale scientific research is underway to study the development of tourism on the impact of the COVID-19 pandemic.

The work of Simonyan, G. A. and Saryan, A. A. (2020)[14] considers the actual problems of tourism that have arisen in connection with the spread in Russia and other countries of the coronavirus pandemic, which caused a global crisis. The impact of the noted crisis on the state of tourism in Russia is determined, it is noted that it led to a temporary absolute disappearance of tourist flows in April 2020. The estimated economic losses of Russian tourism enterprises as a result of the establishment of bans during the period of quarantine and self-isolation of citizens are indicated. The changes in the tourist market caused by the crisis are determined. A significant change in the structure of the Russian tourist market is predicted.

In the article Loguntsova I.V. (2020)[15] examines the new opportunities and challenges of this major test for the entire tourism market. Among these opportunities and challenges, the authors considered - accelerating the processes of digitalization of tourist services, more active introduction of modern technologies (for example, big data, artificial intelligence, mixed and augmented reality, etc.), using the ideas of the experience economy, updating an individual approach to the client , as well as the environmental aspect of the tourist product, expanding the geography of tourist routes, etc.

In the article by Maksanova L., Dugarova T.B. and Kaurovo I.A. (2021) [16] reflects an analysis of the development of tourism in the Republic of Buryatia during the spread of COVID-19. The tasks and measures to reduce the consequences of the crisis and restore tourism activities are considered. It is shown how the Republic of Buryatia, using new approaches, improves its own regional policy to support, restore and further develop the tourism sector. The results of the study can be used in the formation of program measures for the development of the tourism sector in the post-COVID period.

Thus, the main purpose of this study is to forecast the formation of demand for regional tourism products. For this purpose, O.E.Bashina, I.N.Dubina, M.Ivanova, E.N.Lvovskiy, Andrew F.Sigel, R.A.Shmoylova, I.I.Jumanov, M.K.Pardaev, M. In the scientific works and researches of foreign and domestic scientists, such as T.Alimova, modeling of socio-economic processes, based on theoretical and scientific-practical proposals on the application of mathematical-statistical models, correlation-regression methods.

Methodology. One way to extrapolate dynamic series is to align them using analytical formulas. In this case, each active level of the given dynamic series is yt as the sum of two terms $y_t=f(t)+\varepsilon_t$ followed by f(t) – trend-reflecting content, ε_t – is $M\varepsilon = 0, \quad D\varepsilon = \sigma^2$ is a random quantity. The goal of smoothing dynamic series is based on a defined formula based on empirical data $\hat{y}_t=f(t)$ is to determine its “theoretical” levels. The most convenient analytical formulas representing development trends are given below (Table 1).

Table 1, Forecasting Models

№	Analytical form	Function
1	$y= b_0+b_1 x t$	Linear
2	$y =b_0+b_1 \ln(t)$	Logarithmic
3	$y = b_0+ b_1/t$	Reverse
4	$y = b_0+ b_1 t +b_2 t^2$	Square
5	$y = b_0+ b_1 t +b_2 t^2+b_3 t^3$	Kubli

6	$y = b_0^x b_1^t$	Content
7	$y = b_0 x t^{b1}$	Darajali
8	$y = e^{(b0+ b1/t)}$	S-function
9	$y = e^{(b0+ b1 \times t)}$	Rosta
10	$y = b_0 x e^{b1 \times t}$	Exponential

The analysis of the significance of the identified model is performed by examining the “zero hypothesis”. The "zero hypothesis" is tested using variance analysis and the "zero hypothesis"” H_0:D_{fact}=D_{saldo} an alternative hypothesis against H_1:D_{fact}>D_{saldo} is expressed in the form The F-Fisher criterion is used to test these hypotheses.

In this case, the actual value of the criterion is determined by the following formula:

$$F = \frac{\sum_{i=1}^{n}(\hat{y}_i - \bar{y})^2 / k}{\sum_{i=1}^{n}(y_i - \hat{y}_i)^2 / (n-k-1)} = \frac{R^2}{1-R^2} * \frac{(n-k-1)}{k} \quad , (1)$$

here:

$\sum_{i=1}^{n}(\hat{y}_i - \bar{y})^2 / k$ – factorial variance corresponding to a single degree of freedom (number of degrees of freedom γ1=k);

$\sum_{i=1}^{n}(y_i - \hat{y}_i)^2 / (n-k-1)$ – residual variance (number of degrees of freedom) corresponding to a single degree of freedom γ2=n-k-1);

n – number of observations;

k - the number of factors (parameters) in the multivariate regression equation.

F- The true value of the Fisher criterion (F_{real}) the criterion is critical *(F_{table}(α; k; n-k-1))* қиймати билан таққосланади. Агар Fҳақиқий > Fжадвал бўлса, у ҳолда аниқланган модел аҳамиятли ҳисобланади. Келтирилган динамик қаторларнинг таҳлили орқали ишлаб чиқилган моделда F- Фишер мезонининг ҳақиқий қиймати унинг эркинлик даражалари сони сурат бўйича γ1=1 ва махраж бўйича γ2=8га тенг бўлган жадвал қийматидан (моҳиятлик даражаси p=0,95да), яъни Fжадвал =5,32дан катта бўлса аниқланган модел аҳамиятли бўлади.

compared with the value of If $_{True}$> F_{table}, then the defined model is significant. In the model developed by the analysis of the given dynamic series, the actual value of the F-Fisher criterion is taken from the table value of the number of degrees of freedom picture γ1=1 on the figure and γ2 = 8 on the denominator (significance level at p=0,95), i.e F_{table} = 5, If greater than 32, the detected model will be significant.

Analysis and results

The main indicators of tourism development in Samarkand region are: the number of consumers of national tourism products in the region (total and domestic demand); placement in the regional tourism market and the volume of demand for recreational services.

Using the capabilities of the SPSS 19 software package, we developed analytical equations for forecasting key indicators of tourism development (Tables 2-6).

Table 2

Functions of economic and statistical forecasting of the number of tourists using hotel accommodation services in Samarkand region

№	Functional	R- square	Fisher coefficient
1	y = 50689,525+8951,659t	0,493	12,605
2	y = 26642,822+52235,920ln(t)	0,461	11,979
3	y = 155271,838-134850,028/t	0,286	5,613
4	y = 27075,811+16822,897t -463,014t^2	0,515	6,902
5	y = 85863,420-19315,204t +4693,794t^2-202,228t^3	0,563	5,572
6	y = 63923,520^x 1,071^t	0,482	13,043
7	y = 49833,196$^x t^{0,433}$	0,531	12,874
8	y = $e^{(11,900-1,199/t)}$	0,379	8,554
9	y = $e^{(11,065+0,068t)}$	0,582	13,043
10	**y = 63923,520$^x e^{0,068t}$**	**0,582**	**13,043**

For estimating the number of tourists using hotel accommodation services and for forecasting from this table, the real value of the Fisher criterion is Fhaq = 13,043 (13,043> 4,49), the tenth of which corresponds to the tenth function y = 63923,520^{x}e 0,068t. was important for predicting arrival.

3-Table Functions of economic and statistical forecasting of the number of domestic tourists using hotel accommodation services in Samarkand region

№	Functions	R- square	Fisher coefficient
1	y = 29592,375+3401,728t	0,710	34,200
2	y = 19348,801+20426,938ln(t)	0,703	33,131
3	y = 155271,838-53872,440/t	0,455	11,705
4	y = 16470,705+7775,618t -257,288t^2	0,608	22,744
5	y = 37581,508-5201,680t +1594,537t^2-	0,684	25,411

	$72,621t^3$		
6	$y = 32315,501^x\ 1,065^t$	0,718	35,695
7	$y = 25944,446^x t^{0,365}$	0,670	24,740
8	$y = e^{(11,900-1,080/t)}$	0,536	16,145
9	$y = e^{(10,383+0,063t)}$	0,718	35,695
10	$\boldsymbol{y = 32315,501^x e^{0,063t}}$	**0,718**	**35,695**

For forecasting the number of domestic tourists using the hotel accommodation service and forecast from this table $F-$ The true value of the Fisher criterion $F_{true} > 4,49$ the largest of all the features available F_{true} = 35,695 become (35,695>4,49), the tenth function to it $\boldsymbol{y = 32315,501^x e^{0,063t}}$ was considered important for predicting compliance.

Table 4 : Functions of economic and statistical forecasting of the number of domestic tourists using the services of specialized accommodation facilities * in Samarkand region

№	Functions	R- square	Fisher coefficient
1	$y = 8918,000+835,368t$	0,404	8,500
2	$y = 6377,360+5029,374\ln(t)$	0,403	9,435
3	$y = 18951,723-13881,492/t$	0,286	5,598
4	$y = 4936,911+2162,397t -78,061t^2$	0,464	5,617
5	$y = 15245,863-4174,753t +826,233t^2-35,463t^3$	0,658	7,692
6	$y = 8786,699^x\ 1,062^t$	0,572	9,299
7	$y = 7148,187^x t^{0,374}$	0,397	9,209
8	$y = e^{(9,821-1,090/t)}$	0,315	6,426
9	$y = e^{(9,081+0,060t)}$	0,572	9,299
10	$\boldsymbol{y = 8786,699^x e^{0,060t}}$	**0,572**	**9,299**

* Note: Specialized accommodation facilities - sanatoriums, resorts and camps.

The actual value of the Fisher criterion for estimating the number of domestic tourists using the services of specialized accommodation facilities and for forecasting from this table $F_{true} > 4,49$ the largest of all the features available F_{true} = 9,299 is considered (9,299>4,49), the tenth function to it $\boldsymbol{y = 8786,699^x e^{0,060t}}$ was considered important for predicting compliance.

5-table Functions of economic and statistical forecasting of the total number of tourists * in the tourism market of Samarkand region

№	Functions	R-square	Fisher coefficient
1	***y* = 67966,200+9345,447t**	0,469	12,383
2	y = 46530,248+52620,090ln(t)	0,409	9,682
3	y = 155271,838-128339,240/t	0,226	4,100
4	$y = 50006,075+15332,155t -352,159t^2$	0,481	6,013
5	$y = 132841,808-35588,882t +6914,133t^2 -- 284,953t^3$	0,517	5,924
6	$y = 82735,629^x\ 1,060^t$	0,514	12,650
7	$y = 69640,563^x t^{0,347}$	0,427	10,443
8	$y = e^{(12,003-0,884/t)}$	0,258	4,873
9	$y = e^{(11,323+0,064t)}$	0,514	12,650
10	$\boldsymbol{y = 82735,629^x e^{0,064t}}$	**0,514**	**12,650**

* note: tourists reflected in official tourism statistics.

The actual value of the Fisher criterion for forecasting the total number of tourists in the tourism market and forecasting from this table F_{true}> 4,49 the largest of all the features available F_{true} = 12,650 become (12,650>4,49), the tenth function to it $\boldsymbol{y = 82735,629^x e^{0,064t}}$ was considered important for predicting compliance.

As a result, the forecast indicators of the development of the domestic and regional tourism market in 2017-2019 and the list of the most convenient functions for their calculation are given (Table 6).

6- table Forecast indicators of demand formation in the tourism market in Samarkand region in 2023-2026 *

	Indicator name	The most convenient features for forecasting	F_{true}	Years			
				2023	2024	2025	2026
1	number of tourists using hotel accommodation services, per person	$\boldsymbol{y = 63923,520^x e^{0,068t}}$	13,043	232685	249058	266583	285342
2	number of domestic tourists using hotel accommodation	$\boldsymbol{y = 32315,501^x e^{0,063t}}$	35,695	106970	113926	121334	129224

	services, per person						
3	the number of domestic tourists using the services of specialized accommodation facilities, per person	$y = 8786{,}699^{x}e^{0{,}060t}$	12,650	27474	29173	30977	32892
4	total number of tourists in the tourism market, per person	$y = 82735{,}629^{x}e^{0{,}058t}$	12,650	279122	297570	317237	338204

* Calculated and developed by the author. Source: The main indicators of tourism development in the Republic of Uzbekistan. "Statistical Bulletin". State Committee of the Republic of Uzbekistan on Statistics. Tashkent, 2005-2020 yy.

Conclusions and suggestions.

In forecasting the values of the main indicators of development of the tourism market of Samarkand region in 2023-2026, the following econometric models are used: the number of tourists using the services of hotel accommodation; the number of domestic tourists using hotel accommodation services; the number of domestic tourists using the services of specialized accommodation facilities; it was recommended to use an exponential model in forecasting the total number of tourists in the tourism market.

Thus, in 2023-2026, positive growth trends are forecasted in the tourism markets of Samarkand region. According to the analysis, in 2026 compared to 2019: the number of tourists using hotel accommodation services increased by 1.06 times; the number of domestic tourists using the accommodation services of hotels increased by 1.5 times; 1.33 times the number of domestic tourists using the services of specialized accommodation facilities; the total number of tourists in the tourism market is projected to increase by 1.14 times.

Thus, the development and implementation of a strategy for the development of the regional tourism market on the basis of systematic approaches for the effective implementation of future tourism development tasks and the joint development of related industries and sectors serving foreign and domestic visitors. creates conditions for growth.

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THE IMPACT OF CHANGES IN THE NATIONAL EXCHANGE RATE ON MACROECONOMIC INDICATORS IN THE REPUBLIC OF UZBEKISTAN

Rasulov Tulkin Sattarovich[1]

ABSTRACT

This paper studies impact of changes in the national exchange rate on macroeconomic indicators in the Republic of Uzbekistan. There is given comprehensive analyses of major indicators, as currency rate, money suppply, consumer price index, interest rate, trade balance and foreign direct investment. Also there conducted study of relationship between these indicators in a long period basis. Some theoretical deliberations and econometric test were applied. The dataset included quarterly data for the period Q1 2017-Q4 2021. Finally, there is given summary on the relationship between nominal echange rate and macroeconomic indicators in the Republic of Uzbekistan.

Key words: *currency rate, money suppply, consumer price index, interest rate, trade balance and foreign direct investment, nominal exchange rate, gross domestic product, interest rate.*

JEL classification: E40

Introduction.

The integral part of macroeconomic regulation is exchange rate policy, and its role in the transition to a market economy is extremely important. It is known that developing countries and countries in transition are characterized by low exchange rates relative to purchasing power parity. This reflects the specificity of the impact of the exchange rate on macroeconomic indicators in the economy of the transition period.

The effect of the exchange rate on the money supply. Spontaneous exchange rate fluctuations do not affect the money supply. However, the exchange rate plays an important role in the development and implementation of monetary policy, as maintaining a certain exchange rate may require the use of official foreign exchange reserves, which affects the money supply in the economy.

The effect of the exchange rate on the components of aggregate demand: trade balance, consumer spending, investment, government spending. The history of crises in developing countries shows that devaluation is only a “temporary stimulus” to growth. The currency crises of the last 30 years in developing countries are characterized by the S-shaped dynamics of GDP. In the run-up to and during the currency crisis, GDP growth rates will decline and reach minimum values, and after the crisis there will be a significant increase in growth rates. The period of high growth rates after the devaluation lasts about three years, and then the funding rates fall, approaching the average level typical of countries that have not experienced a currency crisis.

Literature review.

As it is important to provide a theoretical framework on national exchange rate and macoreconomic indicators, this section presents some established theories and empirical literature on the theme below.

[1] Professor, Tashkent, Tashkent State University of Oriental Studies, Uzbekistan

Brodskiy B.E. (2005) analyzes the dynamics of supply and demand for the currency, proposes a model that allows to study the macroeconomic consequences of monetary policy in a transition economy. According to him, the demand for free currency is positively related to the factor, and the supply of free currency is positively related to the volume of exports, as well as the policy of gold and foreign exchange reserves.

According to Moiseev S.R. (2005) the only macroeconomic indicator that can affect the exchange rate is the price index. The researcher came to this conclusion after conducting a regression-correlation assessment of the real exchange rate, and its dynamics was studied as a stationary process, and the transient shock shocks had an extremely insignificant effect on it.

E.T. Gaydar and V.A. Mau (2001) found that excessive strengthening of the national currency will lead to expected risks by conducting analysis between national exchange rate and country's economic growth.

Fundamental research in the areas of exchange rate supply and demand balance, factors influencing it, export and import elasticity, capital movements and transfers also conducted by F.Makhlup (2001).

There also should be outlined the impact of exchange rate policy on macroeconomics in terms of an open economy and different exchange rate regimes which have fundamentally studied by R. Mandell and M. Fleming (1962).

As mentioned above, there are proposals for targeting the exchange rate in local and foreign scientific circles. While some economists believe that it is necessary to appreciate the exchange rate to encourage foreign investment and ensure price stability, others believe that it should be devalued to support economic growth and export competitiveness.

Methodology.

This article uses main scientific-theoretical regularities as well as based on scientific-research methodologies as analysis, synthesis and comparison.

Annual time series data on currency rate, money suppply, consumer price index, interest rate, trade balance and foreign direct investment of Uzbekistan covering the period Q1 2017- Q4 2021 were used in this study. currency rate, money suppply, consumer price index, interest rate, trade balance and foreign direct investment data were obtained from official site of Statistic committee and Central Bank of Uzbekistan. All variables were converted to the natural logarithm.

On the other hand, in order to study the relationship between nominal echange rate and macroeconomic indicators there have been used econometric models as Phillips Perron test, Johansen cointegration test, Granger casualty test, and Least square method (OLS).

Main part.

Below, we review a set of statistical data to analyze the impact of changes in the national currency exchange rate on macroeconomic indicators. It shows the nominal exchange rate for 2017-2021, money supply, consumer price index, GDP, refinancing rate, the ratio of trade balance to GDP, the balance of payments to GDP, the ratio of external debt to GDP

Table 1. Impact of exchange rate fluctuations on macroeconomic indicators

Year	Nominal exchange rate at the end of the year	The money supply is the end of the year	Consumer price index,% compared to December last year	Real GDP end of year	Interest rate, end of year,%	Annual trade balance, mln. USD	Annual balance of payments, mln in USD	External debt at the end of the year, mln. in U.S. dollars
2017	8 120	70 816	14	266 648	14	-1 459	1 478	17 235
2018	8 340	80 165	14	334 477	16	-5 449	-3 593	18 750
2019	9 508	91 266	15	448 979	16	-6 374	-3 366	26 331
2020	10 477	107 604	11	539 384	14	-6 044	-3 007	36 333
2021	10 838	140 184	10	646 876	14	-8 850	-4 583	41 619,3

As can be seen from the table, the rates of change of key macroeconomic indicators are highly correlated, i.e. our views on the direct and indirect effects of macroeconomic indicators on the exchange rate are confirmed by statistics.

Table 2. Impact of exchange rate fluctuations on macroeconomic indicators (in% compared to the previous year)

Year	Nominal exchange rate	Money supply	Consumer price index	GDP	Interest rate	Tarde balance/GDP	Balance of paymnets/ GDP	External Debt/GDP
2017	151,3	41,0	14,4	4,4	14,0	-2,4	2,4	27,8
2018	2,7	13,2	14,3	5,4	16,0	-10,4	-6,8	35,6
2019	14,0	13,8	15,2	5,7	16,0	-10,6	-5,6	44,0
2020	10,2	17,9	11,1	1,9	14,0	-10,1	-5,0	60,7
2021	3,4	30,3	10,0	7,4	14,0	-12,8	-6,6	60,1

Based on our analysis, we constructed a correlation matrix of the impact of changes in the national exchange rate on macroeconomic indicators using these indicators. This, in turn, makes it possible to determine the degree of interdependence and impact of macroeconomic indicators.

Table 3. National currency exchange rate and macroeconomic indicators correlation matrix

	Nominal exchange rate	Money supply	Consumer price index	GDP	Interest rate	Tarde balance/ GDP	Balance of paymnets/ GDP	External Debt/GDP
Nominal exchange rate	1.000000	0.802712	0.365596	-0.182366	-0.396280	0.969800	0.990489	-0.674696
Money supply	0.802712	1.000000	-0.178924	0.129332	-0.735465	0.654272	0.778730	-0.253235

Consumer price index	0.365596	-0.178924	1.000000	-0.009145	0.695563	0.472706	0.326757	-0.845260
GDP	-0.182366	0.129332	-0.009145	1.000000	0.259922	-0.353134	-0.297012	-0.048314
Interest rate	-0.396280	-0.735465	0.695563	0.259922	1.000000	-0.286051	-0.448611	-0.364304
Tarde balance/GDP	0.969800	0.654272	0.472706	-0.353134	-0.286051	1.000000	0.971853	-0.741202
Balance of paymnets/GDP	0.990489	0.778730	0.326757	-0.297012	-0.448611	0.971853	1.000000	-0.607025
External Debt/GDP	-0.674696	-0.253235	-0.845260	-0.048314	-0.364304	-0.741202	-0.607025	1.000000

Based on the results obtained, it was found that changes in the national currency had a significant impact on the money supply (0.80), trade balance (0.96) and balance of payments (0.99). In addition, our analysis showed that the impact of the exchange rate on the consumer price index (0.36) is low.

Empirical results.

Below we perform a model analysis of the national currency exchange rate in addition to other macroeconomic indicators (Table 4). *Here: NCR - exchange rate, MO - money supply, CPI - consumer price index, GDP - gross domestic product, INT - refinancing rate, TB - trade balance, PB - balance of payments, FD - external debt singularity indicators in our model.*

Table 4. Influence of exchange rate on macroeconomic indicators

	NCR	MO	CPI	GDP	INT	TB	PB	FD
2017	8 120	70 816	14	266 648	14	-1 459	1 478	17 235
2018	8 340	80 165	14	334 477	16	-5 449	-3 593	18 750
2019	9 508	91 266	15	448 979	16	-6 374	-3 366	26 331
2020	10 477	107 604	11	539 384	14	-6 044	-3 007	36 333
2021	10 838	140 184	10	646 876	14	-8 850	-4 583	41 619

At the same time, we created a correlation matrix in the analysis of macroeconomic indicators of the national currency exchange rate (Table 5).

Table 5. Currency exchange rate and macroeconomic indicators correlation matrix

	NCR	MO	CPI	GDP	INT	TB	PB	FD
NCR	1.000000	0.929180	-0.826949	-0.397618	0.984464	-0.817743	-0.652151	0.990946
MO	0.929180	1.000000	-0.881638	-0.411495	0.971452	-0.863196	-0.681634	0.961341
CPI	-0.826949	-0.881638	1.000000	0.695563	-0.831900	0.606702	0.435911	-0.888559
GDP	-0.397618	-0.411495	0.695563	1.000000	-0.331335	-0.094451	-0.334539	-0.469762

INT	0.984464	0.971452	-0.831900	-0.331335	1.000000	-0.890698	-0.732830	0.986682
TB	-0.817743	-0.863196	0.606702	-0.094451	-0.890698	1.000000	0.949712	-0.809482
PB	-0.652151	-0.681634	0.435911	-0.334539	-0.732830	0.949712	1.000000	-0.630806
FD	0.990946	0.961341	-0.888559	-0.469762	0.986682	-0.809482	-0.630806	1.000000

As can be seen from the above correlation matrix, the money supply at the exchange rate (0.92), the interest rate (0.98) and the external debt (0.99) showed a high correlation level.

After gathering the necessary data, we need to conduct tests of these indicators in general, before forming the exchange rate and the model of economic growth.

Table 6. Unit root test

Unit root test				
	ADF (Augmented Dickey Fuller)		**PP test (Philips Peron)**	
Variables	**Value**	**1-critical value**	**Value**	**1-critical value**
EG	0.7043	0.0000	0.0010	0.0697
ER	0.1099	0.1188	0.4230	0.1100

Source: E-view statistical package – version 10.

Here ER is the nominal exchange rate, EG is the GDP growth rate. Dickey Fuller's overall growth result in economic growth (0.70) and Peron's exchange rate (0.42)

Table 7. Johansen cointegration test

Johansen cointegration test				
Null hypothesis	**Trace statistics**		**Maximum Eigenvalue statistics**	
	test statistics	5% critical value	**test statistics**	5% critical value
r=0	8.532544	12.32090	7.890695	11.22480
r<1	0.641848	4.129906	0.641848	4.129906

In this case, the degree of cointegration in the hypothesis of zero was 8.5 (Trace stat), 7.8 (max. Specific value).

Table 8. Granger causality test

Granger causality test			
Null hypothesis	**F-Statistics**	**P-value**	**Result**
EG does not Granger Cause ER	0.47394	0.6329	Not to refuse
ER does not Granger Cause EG	0.34089	0.7173	Refuse

In the causal test, Granger showed the effect of the exchange rate on economic growth (0.63).

After testing the variables above, we formed a regression model using the smallest squares method.

Table 10. Model analysis of the impact of the exchange rate on macoreconomic indicators.

Model 1 (OLS)				
Variables	**Coeffi**	**Std. error**	**t-statistics**	**Prob.**
MO	-0.016391	0.007860	-2.085397	0.2847
INT	118.2744	61.02756	1.938050	0.3033
FD	0.158924	0.020653	7.694933	0.0823
C	4853.962	987.5496	4.915157	0.1278
R-square	0.997736	S.E of regression		9456.352
Adjusted R-square	0.990942	S.D. of regression		1223.222
Sum squared residual	116.4159	Akaike infor. Criterion		12.34278
Квд қолдиқлар йиғинди	13552.67	Schwarz Criterion		12.03033
Log likelihood	-26.85695	Hannan-Quinn Criterion		11.50419
F-статисика	146.8723	Durbin-Watson stat.		3.570208
Prob (F-статистика)	0.060565			

Source: E-view statistical package – version 10.

Here: NCR - exchange rate, MO - money supply, INT - refinancing rate, FD - external debt, C - variable singular indicators in our model.

The results of our model by the method of the leaest squares confirmed our higher scientific opinion, while its coefficient of determination was R2 - 0.99. The F-statistic was 146.87, the standard regression error was 116.41, and the Akaike and Schwarz criteria were 12.34 and 12.03, respectively. The sum of the squares was 13,552.67, the probability level (F-statistics) was 0.06, the Durbin-Watson statistic was 3.57, and the Hannan-Quinn criterion was 11.50.

Conclusions

As a result of our analysis, the positive relationship between the exchange rate of the Republic of Uzbekistan and macroeconomic indicators can be explained by a number of factors:

1. It is clear that there is a positive correlation between the rate of change in the nominal exchange rate and the rate of change in gross domestic product, industrial production, labor productivity, investment in fixed assets.
2. On the other hand, it confirms the previous assumption that devaluation will have a limited effect on the state of the trade balance, and refutes the opinion of some economists that there is no correlation between exchange rate dynamics and industrial production rates.
3. From this point of view, due to the importance of stimulating economic growth and development of industrial production in the country, it is extremely important to study the mechanisms of exchange rate impact on the real sector of the national economy.
4. If the above-mentioned scientific views are confirmed by statistical calculations, we can say that changes in the national currency exchange rate have a direct and indirect impact on the country's macroeconomic indicators. Thus, the research topic is ultimately important for the development of the country.

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DIRECTIONS OF IMPROVING ECONOMIC RELATIONS OF THE LABOR MARKET WITH THE SYSTEM OF TRAINING

RejapovXayrilloXikmatullaevich[1]

ABSTRACT

The article highlights the economic significance and importance of the interaction between the labor market and the training system. Also, on the basis of comparative and statistical analysis, the requirements of the employer to the quality of the workforce in the training of personnel based on labor market students, their composition and essence are highlighted. In addition, the share of wage rates of employees with higher education in relation to employees with secondary education in some countries was analyzed. Based on the results of the analysis, a mechanism for developing economic ties in the labor market and higher education in Uzbekistan has been developed.

Keywords*: higher education, educational services, training, labor market, employer, workforce, professional knowledge, professional skills.*

Introduction

In the context of globalization of economic relations in the world, there are enough problems in each country to increase the efficiency of the labor market in the countries. In particular, at a time when the demand for highly skilled young labor in the labor market is growing in the context of the global problem of population aging in developed countries, there is a lack of highly skilled labor in the labor market in emerging and developing market economies. This situation makes it necessary to strengthen the interaction between the labor market and the education system in order to increase the efficiency of the labor market in the world practice. Analysis of the literature on the subject There is no single scientifically based opinion among economists about the labor market. They interpret the labor market differently. According to a number of authors, the labor market "... combines the material and human factors of production, the diversity of forms of ownership of the means of production and the labor force to manage their abilities in order to manage their balance in the conditions of citizens' prerogative A closer approach to this view is that the labor market is "... between employers - owners of the means of production and employees - the owners of the labor force. it is a system of value-based relations in meeting the demand of employers for labor as entrepreneurs and the employment of hired workers as a source of livelihood, the need for work [2] ". From a group of economists V. Gimpelson, R. Kapelyushnikov, V. Kostakov, A. Kotlyar, A. Kashepov [3; 4; 5; 6; 7] interpret the labor market in a specific way. Economist A. According to Kashepov, the labor market is a system of "mass relations, social norms and institutions that ensure the creation, exchange and use of labor." A. In general, we agree with Kashepov that it would be expedient for the labor market to enter into economic relations, rather than a mass approach to the recruitment of job-seekers. Economic relations, in turn, require the re-creation of labor potential and their constant education and professional skills.

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Research methodology

The research analyzes the interaction with the training system based on the requirements of the labor market, the directions of improving economic relations, the requirements of the employer for the quality of labor on the basis of comparative and statistical, monographic analysis, wages of employees with secondary and higher education.

Analysis and results

While the types and forms of the market are distinguished by their material form and the quality of the goods sold in them, the peculiarity of the labor market is that the object of trade is human labor, which is a special commodity. This situation has laid the foundation for the emergence of different conceptual approaches to human labor, which is the main commodity in the labor market. The use of labor, the value of which is based on the goods created in the course of labor, is the value of labor. While a certain part of the value created on the basis of labor is appropriated as wages, the rest remains at the disposal of the employer-entrepreneur. In some economic literatures, wages in the labor market are defined as labor that is sold and bought [10], not wages for labor. In these approaches, wages are expressed as factor income along with other types of income: interest for capital, rent for land use, profits of owners of means of production, and entrepreneurs as factor income [11]. In our opinion, the sale of labor in the competitive market in the form of commodity money is the exchange of labor for wages. In this sense, the agreement between the worker and the employer, which is the main factor in the production of wages, is an agreement in the sphere of transactions, and a commodity of new value can only be a part of the value of the commodity created in production. Therefore, in a market economy, the difference between wages and material costs from the value created by production entities is reflected in the form of profit, rent and business income. In fact, employers and entities willing to work meet in the market and agree on the organization of labor. Because labor is a purposeful human activity in the field of production or service, not in the field of treatment. In our view, such a description of the labor force is methodologically incorrect, since it can be seen that the labor of a worker is acquired only when the basis for the transfer of his labor ability to the goods produced is performed. For the functioning of the labor market, its interaction with the market of educational services is of particular importance. To meet the demand in the labor market by employers, a person must be able to work, that is, have a set of physical and mental abilities. Their development can be achieved through the training of personnel, which, in turn, is influenced by the labor market, which is increasingly demanding labor. The labor market, in the process of its operation, on the one hand, represents the training of skilled workers, specialists with professional skills, and on the other hand, represents the need to train employers. In both cases, this need is met by the education system (see Figure 1).

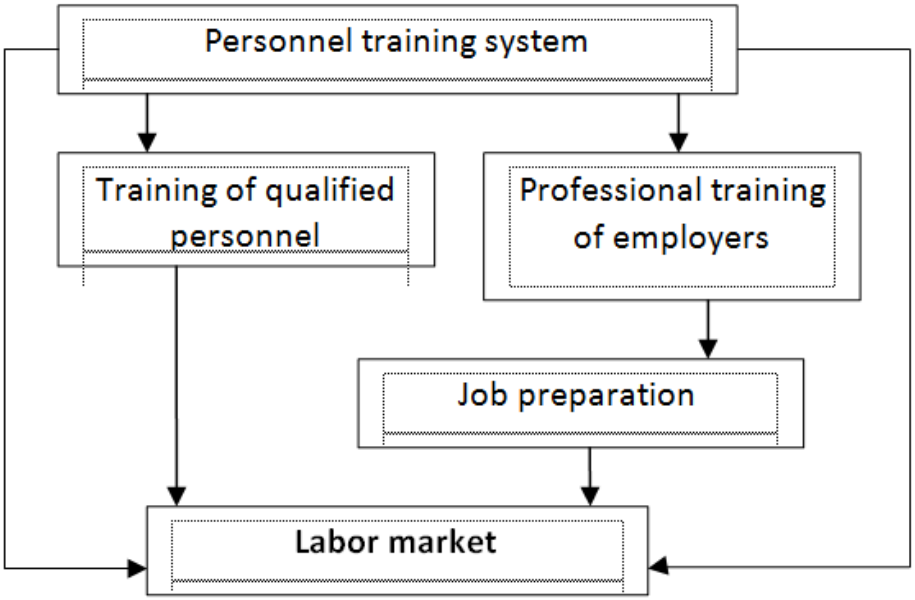

Figure 1. Interaction of the labor market with the training system[1]

People with scientific knowledge, qualifications, experience, special skills required for the labor market are trained in the educational process. Education allows a person to gather certain information, to master and strengthen the content, needs and abilities of information within the human personality. Today, the labor market is increasingly in need of a new type of specialists - mentally active workers in the field of high technology. It is based on the high quality of fundamental scientific training, breadth of worldview and high professionalism. There are different views on the development of the education system by economists. In particular, one believes that “education becomes the main socio-genetic mechanism of development and survival” [13], while the other argues that the peculiarity of such an approach to education is that education is not a quality of professional and life training, but an institution of self-organization. [14] and the third is that the labor market should be conducted in accordance with the theory of segmentation [15]. Since the early years of the 21st century, World Bank experts have been conducting global research on Jobs & Skills. Research has shown that in the 21st century, the labor market requires employers to have skills in the use of cognitive, socio-emotional, scientific and technical and digital technologies (Table 1). In particular, the development of the above-mentioned quality indicators of the labor force will ensure effective employment in the country, improve its global competitiveness, achieve sustainable economic growth, as well as structural improvement of the labor market [16]. Table 1 Labor requirements for employers in the XXI century [16]

Requirements for labor by the employer	Description of workforce skills
Cognitive qualities	Ability to understand complex situations, innovations, adapt to high levels of change, scope of thinking and making the right decisions. In particular, basic

[1]Author construction

	literacy and problem-solving skills reflect the cognitive qualities of the workforce.
Socio-emotional qualities	Represents the ability to act effectively in a variety of social situations. In particular, a person's leadership, teamwork, self-discipline and perseverance reflect the socio-emotional qualities of the workforce.
Scientific and technical qualities	Reflects all the tools, including resources, equipment, techniques, and experience, knowledge, and skills needed to perform a particular task.
Skills in using digital technologies	Based on the quality indicators of all the above-mentioned workforce, a number of features are taken into account, such as the correct selection of information, their search, the creation of new reliable information.

According to a study conducted by World Bank experts on Skills Development, there is a need to improve the quality of the workforce in order to ensure sustainable economic growth in the country. At the same time, it will be necessary to prioritize investment in the quality of the workforce through the education system. As a result, labor productivity in the country will increase, leading to an increase in the inflow of foreign investment. This creates the right conditions for the creation of new jobs, which will allow for a more stable high income for the existing workforce in the country [16].Таҳлиллар кўрсатишича, таълим тизими мамлакат ишчи кучи сифатини оширишнинг муҳим омили ҳисобланиб, бунда давлат томонидан аҳолига сифатли таълим хизматлари кўрсатилиши лозим.

According to the analysis of world practice, improving the quality of educational services in most countries, the formation of a workforce that is fully compatible with the existing jobs in the labor market is one of the priorities of the ongoing reforms. According to the World Bank, 18.0 percent (750 million people) of the world’s population over the age of 15 today do not have a basic literacy (reading, writing, addition, subtraction, multiplication-division) level. In particular, in the group of countries where most market economies are emerging and developing, employers have noted that the innovative potential of highly educated employees is low, while hired workers do not have sufficient professional skills and qualifications [16]. This situation indicates that there are sharp differences between the demand for labor in the labor market and the quality of labor.

According to the analysis, the intensification of competition between employers in the modern system of economic relations today increases the demand for skilled labor in the labor market with high professional skills and qualifications, which allows to ensure high efficiency of innovation in production processes. This situation necessitates the continuous improvement of the skills of the workforce, its professional knowledge and skills.

According to the Organization for Economic Co-operation and Development, today in most countries the priority is to increase the coverage and improve the quality of higher education in order to provide the labor market with quality and highly skilled labor. In particular, the Republic of Korea (69.8%), Canada (64.4%), Russia (62.1%) and Japan (61.5%) are the world leaders in the share of higher education among the able-bodied population aged 25-34. occupy places [17] (Fig. 2)).

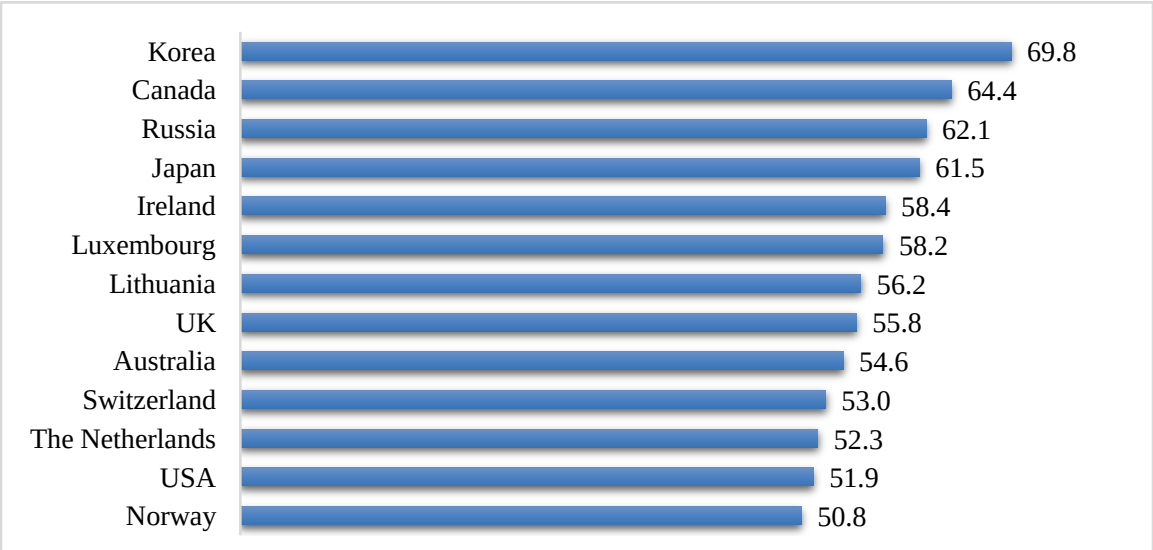

Figure 2. Countries with the highest share of higher education in the world in the working age population of 25-34 years (as a percentage of the total working age population of 25-34 years, 2022) [17].

According to the analysis of world practice, by increasing the coverage of the population with higher education and improving the quality of education, it will be possible to form a mechanism to effectively meet the demand for highly qualified, quality labor in the labor market. According to the International Analysis of Science and Engineering Indicators, in 2015-2020, China and the United States will lead the world in the number of graduates with degrees in natural and exact sciences. It should be noted that 45% of graduates in the United States are international students, most of whom return to their home countries [18]. Nevertheless, the United States is one of the world's leading countries in introducing innovations to the national economy.

The practice of Japan is also noteworthy in the large number of scientific studies conducted to meet the demand for highly skilled labor in the labor market. According to the analysis, the reforms implemented by Emperor Meiji in Japan in the late 19th and early 20th centuries focused on reforms in the education system. In particular, during this period, many young people from the country were sent to study at prestigious foreign universities, and many professors and teachers were hired to teach Japanese from the world's leading foreign universities. As a result, the country has achieved rapid development of industrial sectors [19].

According to the analysis of world practice, in most countries the wages of the highly educated labor force are higher than the wages of the labor force with secondary education. In Turkey, for example, employees with higher education are paid 98 percent more than those with secondary education. In countries such as Hungary (82%), Poland (71%), Macedonia (62%), Albania (62%), Uzbekistan (55%) and Russia (51%), the average salary of employees with higher education is higher than that of employees with secondary education. It is higher than 50 percent (Figure 3).

According to a study by World Bank experts, the majority of low-skilled, low-educated citizens in emerging and developing market economies are migrant workers in the informal sector of the economy or in other countries and are employed in "black" jobs. According to the International Labor Organization, the

social situation of low-skilled workers has worsened due to the coronavirus panlemia, and all segments of the population working in the informal sector have been deprived of full access to social protection programs.

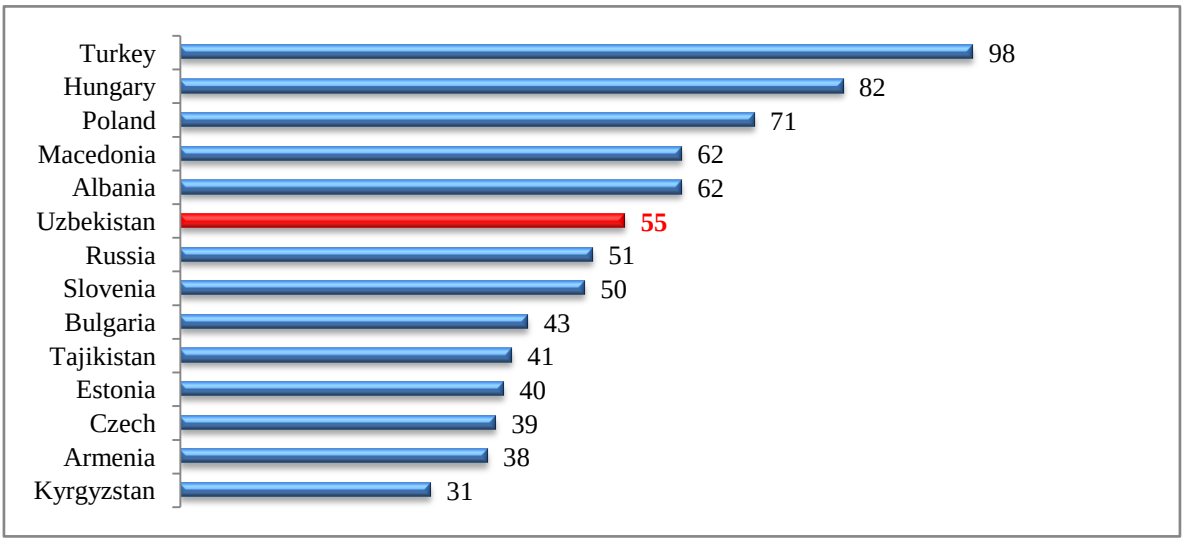

Figure 3. In some countries, the increase in the level of wages of employees with higher education compared to employees with secondary education, in percent, 2021 y [20]**.**

In particular, in low-income countries, 90 percent of the labor force is of poor quality and low productivity. As a result of the global outbreak of the coronavirus pandemic, one-third of the labor force in emerging and developing market economies has lost its income [21]. This situation will drastically reduce the development potential of countries.

Based on the results of our research, we believe that in recent years, based on the recommendations of international organizations to further strengthen economic ties in the labor market and higher education in our country, it is necessary to develop students' cognitive, socio-emotional, scientific and technical, digital technologies. . In solving this task, it is expedient to establish vocational education in higher education institutions through the mechanism shown in Figure 4. The implementation of the proposed mechanism will require higher education institutions to conduct an in-depth analysis of employers' recruitment requirements in the labor market through extensive marketing research.

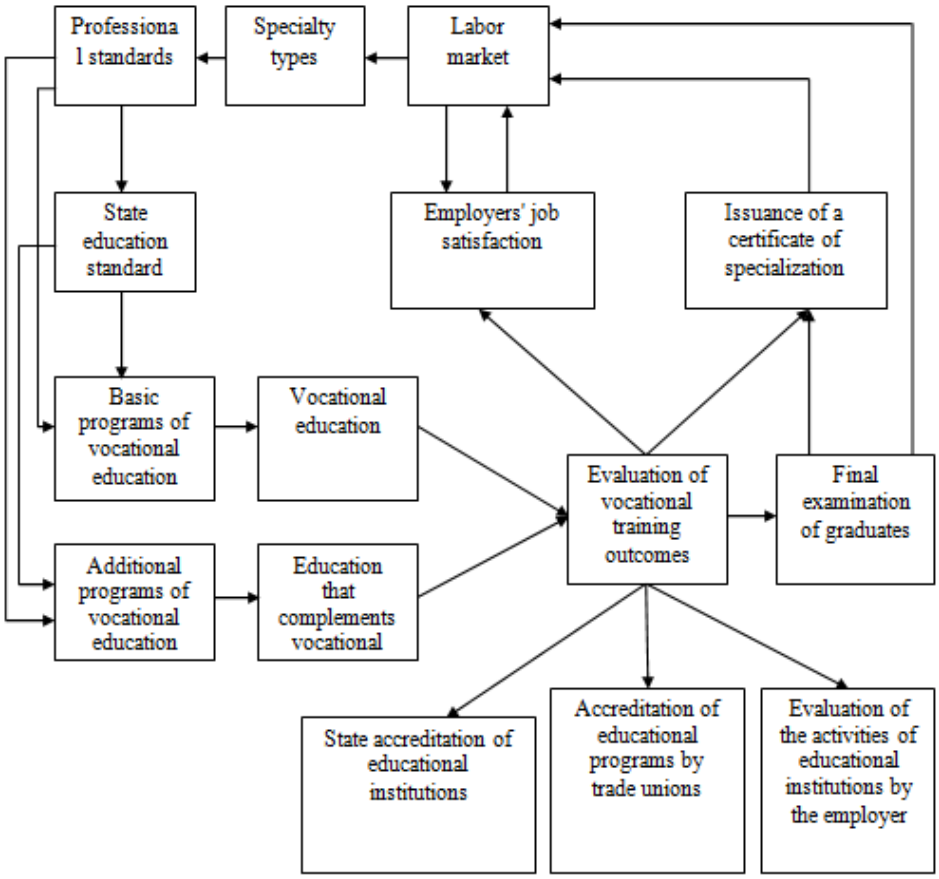

Figure 4. The mechanism of development of economic relations in the labor market and higher education in Uzbekistan[1]

Conclusion

We consider it expedient to deepen cooperation between the employer and the leading staff and professors of higher education institutions in the development of educational standards for bachelors and masters in vocational education in higher education institutions. The following results will be achieved by implementing this proposal:

- Cooperation between higher education institutions and employers to improve the quality of labor in the labor market;
- The fact that the subjects taught in higher education institutions are based directly on the requirements of the employer, along with increasing their scientific and practical significance, has a direct impact on improving the quality of the workforce;
- employment of graduates will be improved;

[1]Муаллиф томонидан тузилган

- The problem of low staff capacity in the labor market will be solved in a short time;
- The subjects taught on the basis of higher education institutions are improving from year to year, etc.

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SPECIFIC FEATURES OF GOVERNMENT REGULATION OF POPULATION INCOME IN UZBEKISTAN

Burkhanova Shakhnoza Botir kizi[1]

ABSTRACT

This article addresses the influence of economic digitalization on population incomes and stratification, as well as scientific proposals and practical recommendations for enhancing the priorities, techniques, and tools used by the government to regulate this process.

Keywords: *digital economy, innovation, unemployment, income, income inequality, poverty.*

Introduction

Due to the Covid-19 pandemic, which began in 2020, 60 million people are expected to be in a very poor state in the next three years, with millions more on the verge of destitution [15]. This is also true in Uzbekistan, where the proportion of socially disadvantaged residents in the total number of families increased from 8.0% to 21.0% in 2020 as a result of the pandemic [5]. This condition necessitates a boost in the country's poverty-reduction programs' effectiveness. "The poor in our country make up roughly 12-15% …," says President of the Republic of Uzbekistan Sh.M. Mirziyoyev. In this regard, a new approach based on international criteria is required, which encompasses the idea of poverty, its criteria, and methods of assessment [1]. Our country's unemployment rate was at 1 million 350 thousand people before the epidemic, but it rose to almost 2 million people during the pandemic. Furthermore, as a result of the current global scenario, "the number of jobs in the Russian economy is predicted to shrink by 2 million by the end of 2020" [6], which has a direct detrimental impact on Uzbekistan's income levels. Preventing this predicament necessitates the creation of well-considered, scientifically informed social policy.

The purpose of the study.

Development of scientific concepts and practical recommendations for enhancing Uzbekistan's state-controlled income regulation mechanism.

Setting scientific problems.

Foreign experts such as G. Basso, M. Dolls, S. Bexrendt, J. Berg, R. Merkl, B. Babajanyan, and R. Bettie have conducted scientific research on population income, its sources, directions, stratification, and causes of formation.

N.A.Volgin, V.V. Antropov, S.V. Kalashnikov, and other scholars have researched the processes and stages of income development in CIS nations, the theoretical and methodological foundations of social protection, the peculiarities of the system and models of social protection in other countries.

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In the scientific works of Uzbek A.V.Vakhabov, T.M.Akhmedov, K.Kh. Abdurakhmonov, Kh.P.Abulkosimov, N.M.Majidov, B.Kh.Umurzokov, R.R Khasanov, M.K.Abdullaeva, R.F.Djumanova, N.K.Zokirova, M.A.Khakimova, B. Sh.Khusanov, K.K. Mambetjanov and other economists issues such as the methodology for determining the patterns of change in income in the context of economic liberalization, areas for assessing living standards and quality of life in the country, opportunities for creative use of best international practices in social protection of socially vulnerable groups. However, at the same time, scientific and theoretical issues aimed at increasing the income of the population and thereby improving the economic mechanism for overcoming inequality between them have not been analyzed in a complex, systematic, special research object.

Research methodology.

Dialectical, historical and logical, analysis and synthesis, induction and deduction, statistical, scientific abstraction and other methods were used in the research process.

Analysis and results.

The topic of poverty has been a “closed topic” in Uzbekistan for many years, and has previously been replaced by the concept of “low-income” in the form of mitigation. Due to the open democratic policy pursued in our country today, the existence of this problem, the implementation of in-depth analysis of its solution, its reduction and further elimination are also openly discussed in the high tribunes. In particular, in the Address of the President of the Republic of Uzbekistan Sh.M.Mirziyoev to the Oliy Majlis on January 24, 2020, poverty reduction was identified as one of the priorities. "It is no secret that the majority of the population in the regions, especially in rural areas, does not have a sufficient source of income," the statement said. As in any country, we have low-income groups. According to various estimates, they make up about 12-15 percent. We are not talking about small numbers, but about 4-5 million people. This means that their daily income does not exceed 10-13 thousand soums. Or a family may have both a car and a pet, but if a person is seriously ill, at least 70 % of the family income goes to treating him. Is it possible to call such a family self-sufficient? ”[1] Over the past two years, the number of people receiving social benefits in Uzbekistan has increased 1.3 times, and the amount of benefits has doubled. However, this problem will not be completely solved by paying or increasing the amount of social benefits and financial assistance to the poor. Here is a quote from the ancient Chinese philosopher Lao Tzu, the founder of Taoism, based on his profound life insights: “If you give a hungry person a fish, you will feed him for a day. If you give him a hook and teach him to fish, you will save him from starvation for a lifetime”.

In 2010-2020, we can observe that the structure of incomes of the population has improved in the country, with incomes from production decreased from 75.2% to 74.2% and income from property from 3.1% to 3.5%. This, in turn, testifies to the fact that the living standards of the population of our country are increasing and the opportunity to earn income from entrepreneurial activities is growing. At the same time, the share of income from social transfers in the total income of the population in the reporting period amounted to 25.3%, an increase of 24.8% to 0.5%. This situation reflects the development of market relations and the increasing targeting of social protection of the population (see Table 1).

Table 1 The structure of the total income of the population in Uzbekistan (as a percentage) [3]

№	Name of indicators	2010	2015	2016	2017	2018	2019	2020
	Total income, overall	**100**	**100**	**100**	**100**	**100**	**100**	**100**
	including:							
I	**Primary income**	**75,2**	**73,2**	**73,1**	**75,6**	**79,7**	**84,0**	**74,7**
	hence:							
1.1.	Income from production	96,9	96,9	96,2	96,8	96,5	96,3	96,5
1.2.	Income from property	3,1	3,1	3,8	3,2	3,5	3,7	3,5
II	**Income from transfers**	**24,8**	**26,8**	**26,9**	**24,4**	**20,3**	**16,0**	**25,3**

As a result of the implementation of active programs of social protection in our country, the income base of the population has been strengthened, and from year to year there have been positive changes in the structure of consumer spending, in which the share of non-food expenditures on services is growing. In particular, in the structure of consumer spending in 2000-2020, food expenditures decreased by 13.4%, non-food expenditures increased by 6.1% and expenditures on services increased by 8.1%. This process means that the living standards of the population have improved, the share of the poor in its composition has decreased, and the share of the middle class has been growing at a steady pace. The living standards of the population have improved and the share of food products in consumer spending has decreased from 61.4% to 48.0%, or 13.4 percentage points, while the cost of non-food and services has risen sharply (see Figure 1).

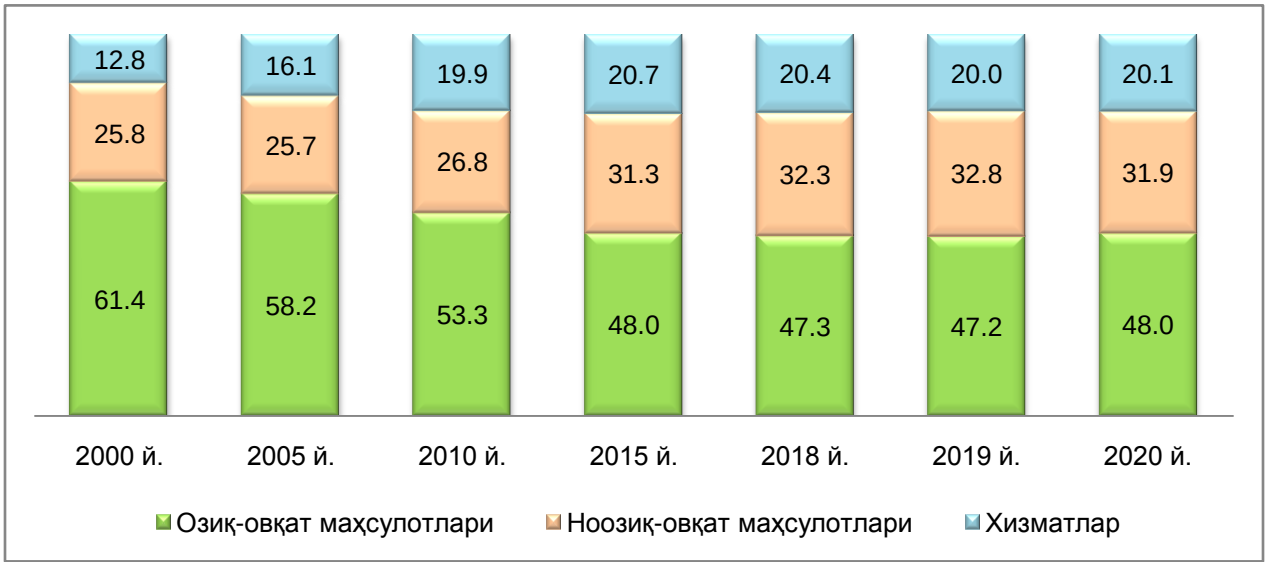

Fig.1. Changes in the structure of consumer spending in Uzbekistan (as a percentage of total) [3]

In any society, income policy is an important part of the socio-economic policy of the state. It arises in connection with the economic institutions that exist in the state at a particular time, the priorities set by the state, and the instruments it uses.

The purpose of the state's income policy is to increase the welfare and development of the population and encourage its pursuit of social development. To achieve this goal, revenue policy must address the following objectives:

- Stabilization of living standards of the poor;
- Poverty reduction;
- Stop the growth of income stratification of the population and the stratification of society;
- Overcoming the deep deformations in the structure of monetary income of the population;
- Increasing the role of wages as the main source of income and the most important stimulus for economic activity of employees;
- Creating conditions for improving the living standards of the general population.

Income policy as the most important part of the state social policy consists of the following basic principles:

- The employee's freedom to manage his own working capacity, the freedom to choose the type of activity and profession;
- Formation of wages based on the market value of labor;
- Not to remove the restrictions on income received by individuals on a legal basis;
- A single legal approach to income from employment and property;
- Providing targeted social and financial assistance to the disabled;
- Social insurance in case of unemployment, including by the state of the working population.

Revenue policy is implemented in the following main areas:

- Minimum food and consumer baskets, minimum living wage; influence on wage rates by establishing state social standards, such as minimum wage, unified wage scale for public sector employees, paramount wage rate;
- Regional regulation of income and wages based on the zoning of the country's territory in determining the subsistence minimum, as well as the establishment of regional wage coefficients and premiums for length of service;
- Income and wage regulation in the social partnership system;
- Influence the amount of income received by the tax system;
- Regulation of pension provision by setting its legal regulation, as well as the minimum amount of pensions;
- Social guarantees in the field of employment for the population, social support for the unemployed;

- Reforming the labor protection system, increasing the level of safety from the system of benefits and allowances for adverse working conditions, and the gradual transition to a system of improving working conditions;
- Improving the state social insurance system to ensure guarantees of ability to work, wages, protection from occupational risks associated with job loss;
- Guarantees of social protection of the population, especially the poor in the areas of health, education, culture, housing and communal services.

Income policy is a system of measures taken by the participants of socio-economic relations in the field of organization, distribution and use of income, which allows them to coordinate their interests and ensure the achievement of goals.

Analysis of the process of stratification of income of the population allows us to draw the following conclusions:

First, transformational radical changes in the absence of clear legal regulation of relevant processes lead to an increase in income stratification. The most dramatic changes in transition economies occurred in the early 1990s. Of course, the growth of income stratification is inevitable in the context of reforms that consist of establishing a correlation between labor market productivity and income.

Second, based on the above data, it is difficult to determine the level of income stratification of the population that is convenient, cost-effective, and socially acceptable. Income stratification can be compared with the indicators adopted in world practice. For example, a comparison of the values of the Gini index with the corresponding indicators of other countries undergoing transformational changes indicates that Russia has a much sharper growth of stratification than Central and Eastern European countries. At the same time, the level of revenue collection from the rest of the former union countries is also relatively high.

In general, the study of indicators characterizing the income stratification of the population allows us to identify the following illogical situation: The distribution of income in Uzbekistan is close to that of low-income countries (Ghana), middle-income countries (Tunisia, the Philippines) and high-income countries (Switzerland, Great Britain). At the same time, the data on the highest-income regions are close to those of the countries with the highest income stratification (e.g., Brazil).

Economic, legal, coordinating, administrative methods play an important role in revenue regulation.

According to Mambetjanov, "... economic methods include the establishment of minimum wages, tax policy, management of remuneration of employees of public sector organizations and civil servants, employment". [13]

The growth of the minimum wage depends on the economic opportunities that arise at a certain stage in society. If this factor is not taken into account, then it can lead to delays in the payment of salaries to employees, a budget deficit. At the same time, the minimum wage should be set taking into account the amount of money needed for a moderate physical recovery of the labor force, i.e. the subsistence minimum, which in turn will depend on the monetary policy of the state.

Tax revenues to the budget are provided by tax policy, without which the redistribution of revenues, the effective stimulation of economic growth can not be established. For example, providing tax incentives to

small businesses will help increase employment and allow them to earn higher incomes and gain a foothold in the market.

The state regulates the remuneration of labor in the public sector based on its economic capabilities. With the forces of this field, the human potential of any society is formed. The industry also plays an important role in healthcare and leisure.

Legal methods. The development of a legal and regulatory framework for revenue management plays an important role and is the starting point of the entire management process. Standards for calculating consumption budgets, working time norms - to determine working hours, the duration of vacations in enterprises, to create safe working conditions; tax standards - income taxes, taxes levied on legal entities (including social taxes).

Constitution (Basic Law), Labor Code, Economic Reform, Employment Laws, Presidential Decrees, Government Decisions (Regulation of Minimum Wages, Legal Support of Collective Labor Contracts, Social Security and Insurance, Social Guarantees) to Regulate Income and Quality of Life about) is very important. [14]

Administrative methods. These methods are not related to understanding the additional material incentive or risk of economic (financial) damage. They are based on the power of government and include prohibitive measures, permits or coercion.

With the transition to a market economy, some previous administrative measures have been retained, but new ones have also emerged: direct state control over monopoly markets; standard developments, control over their implementation; protection of national interests - export control or state control over imports.

Coordinating methods. In many countries, these methods are common and the most economical, "bloodless" method. Social partnership is the coordination of actions of the government, entrepreneurs and employees on the dynamics of wages and social transfers.

Minimum wage in transactions of different levels (in the General Agreement - at the national level, in sectoral and regional tariff agreements - at the sectoral and regional levels, in collective agreements - in enterprises), tariff norms, social payment amounts, income indexation procedure, duration of working hours, compensation, guarantees of labor rights, labor protection, housing.

The collective bargaining system is an effective form of wage management for employees. Its occurrence stops two factors:

- Devaluation of the labor force. As a result, wages cannot perform their reproductive function;
- Unreasonable stratification of wages by categories of employees in a single network, regional enterprises, as well as by individual sectors and regions.

Each method has its own direct and indirect impact measures. Among the measures of direct state intervention are the establishment of state guarantees of the minimum wage in its territory, management of wages in the public sector, the establishment of a system of district coefficients, government investment, subsidizing programs to increase production efficiency, tax exemptions, direct administrative management of the obligation to allocate job quotas for certain groups of the population, the organization of retraining of employees, the allocation of a certain number of employees to perform socially necessary work.

Indirect methods of influence include the choice of preferential taxation of the needy, the distribution of free wealth.

At the current stage of economic development, the regulation of income of the population by regions is one of the most difficult areas of improving income regulation. Its successful solution depends on the implementation of economic reforms in the regions.

The incomes of the population in the regions and their stratification, the scale of poverty, the level of consumption can occur in the course of economic reform in a number of negative directions. It should be noted that their escalation could lead to an increase in social tensions and threaten economic reforms.

One of the most pressing problems in this area is the growing territorial stratification of income, which in many cases is economically and socially inefficient. The highest per capita income is in Tashkent and Navoi regions and the city of Tashkent, mainly due to the development of industry in these areas, as well as social and market infrastructure, as well as the introduction of wage coefficients and surcharges.

In our opinion, the policy in the field of income and consumption of the population living in rural areas should be aimed at:

- Shaping the level of life and activity of the rural population, ensuring the recovery of the labor force in an accelerated manner in accordance with the requirements of the reformed agricultural production;
- More complete consideration of production conditions in the payment of labor;
- Improving the structure of the rural family budget in order to create the most favorable conditions for different types of income;
- Strengthening the social protection of pensioners, the disabled, women with children and other vulnerable segments of the rural population;
- Creating a developed market in the village that encourages consumer cooperation, labor and entrepreneurship of the rural population.

At present, the average per capita income of workers living in rural areas and working in various clusters is not even able to provide a subsistence level. In other words, two-thirds of rural families live below the poverty line and live only on food from private subsistence farms. This situation has negated the role of incentives in the payment of labor, in connection with which labor productivity in agriculture continues to decline. Therefore, the share of remittances in personal income from personal subsistence farms, property (rent of residential buildings, country houses, warehouses), labor income and natural incomes from personal subsidiary farms continues to decline. At the same time, the abolition of the system of consumer cooperatives in rural areas has a negative impact on the income levels of the people living there.

Conclusion.

1. The results of scientific research on social protection show that social protection is a responsibility and a social obligation of every country to its citizens.
2. In order to further targeting and improve the effectiveness of active social protection programs aimed at social protection and income generation in the country, it is advisable to develop regional social protection programs taking into account the specifics of the regions.

3. Adequate housing for one month (30 days) for groups of the population living in a state of scarcity of material resources, taking into account the socio-economic characteristics of the country; payment for the use of housing and communal services, natural gas, electricity; availability of clean drinking water; full access to social services provided to the population; availability of household appliances (washing machine, vacuum cleaner, color TV); cell phone or telephone; consumption of meat and meat substitutes in the prescribed amount (1 kg (boneless) beef per 1 person per month) in accordance with the recommendations of the Ministry of Health; it is advisable to include households that have lost at least three of the eight cases to cover at least two casual expenses. Such groups are those living below the average standard of living in the country, and their social support, in turn, allows them to achieve positive results in encouraging the middle class in society.
4. The process of development of market relations and the gradual reduction of the social tasks and obligations of the state in the protection of socially vulnerable segments of the population in the conditions of economic recession, the transfer of extra-budgetary targeted social funds and charitable funds is an important step in the formation of a social state, allowing to improve the economic mechanism and increase the efficiency of the social protection system in the country.

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ECONOMIC PERFORMANCE OF DEHKAN FARMS IN KASHKADARYA REGION

Nargiza Akramovna Ochilova[1]

ABSTRACT

Today, ensuring food security in Uzbekistan is considered one of the most important problems. This article analyzes the level of productivity of farms in the Kashkadarya region, the change in the economic indicators of the annual gross harvest, the difference between costs and incomes, economic indicators of profitability by district. The sector that develops this type of activity is the agricultural sector.

Key words: *Agriculture, Dehkan Farms, Gross Harvest, Efficiency, Productivity, Prime Cost, Profit, Profitability.*

Introduction.

At the same time, we all know the role of agriculture in the socio-economic development of the country. Of particular importance in agriculture are measures to further improve the organizational and economic mechanisms for the efficient use of land attached to dehkan farms. Today, New Uzbekistan is being formed on the basis of the priority innovative idea of "a society with human dignity and a people's state". We all know that on the basis of this glorious goal set by the President of the Republic of Uzbekistan Sh.M. Mirziyoyev, the people of our country are the main participants and are becoming a real member of the new reforms. Indeed, "the development of the national economy, ensuring its growth at the level of modern requirements, fair social policy, development of human capital" [1] are among the important tasks planned for the future. In recent years, legal, socio-economic measures have been taken in Kashkadarya region to develop the agricultural sector. In particular, in April 2021, a new version of the Law of the Republic of Uzbekistan was adopted "On Dehkan Farms" [2]. In contrast to the previous law, the farm can use hired labor on a permanent basis, up to 1 hectare of land is allocated to the farm, there are no restrictions on the size of irrigated and non-irrigated land, the newly established farm is leased only for a certain period.

Literature review.

In scientific researches, abstracts, dissertations, monographs, pamphlets and articles of foreign and domestic scientists conducting research in this field, it is necessary to further improve the current reforms in agriculture, study and, if necessary, use the experience of developed countries in the field of agriculture. and the involvement of qualified personnel with practical knowledge, increasing productivity. However, it would be expedient to further study the factors influencing the targeted use of land in dehkan farms, increase the efficiency of agricultural production, conduct an in-depth analysis of economic indicators, and consistently apply sound proposals and recommendations. Among the leading economists of today the scientific works and articles of are O.Sapova, Ye.Saregorodseva, D.Lyubimov, S.N.Usmonov, Yu.T.Dodoboyev, A.E.Absamatov, R.Kh.Ergashev, S.N.Khamraeva, Z.Shokhodjaeva, G.T.Samieva [3] have been researched on this topic. The analysis of these scientific works and the experience gained in Uzbekistan in this field show that in many foreign countries, including in our country, the development of farms and land plots, improvement of management strategies, improvement of land and water use mechanisms, there are a

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number of challenges associated with increasing effective labor productivity and profitability. In particular, to study the needs of the population in agricultural products, to study the demand in domestic and foreign markets, to organize the necessary agro-technical measures to increase productivity, to expand the number of qualified personnel with scientific and practical knowledge and to organize targeted retraining, to sell crops marketing studies, improvement of social infrastructure in the agricultural sector.

Research methodology.

Research methods such as observation, comparison, interviews, questionnaires were used in conducting research on the topic.

Analysis and results.

So, one of the primary human needs is the need for food. Today, farmers operating in the agricultural sector, who make a significant contribution to the development of the family and society, using their private lands to a high degree, are achieving high economic efficiency. According to statistics, if we focus on the main macroeconomic indicators in the country, by the end of 2021, economic growth was 7.4 percent. In agriculture, on the other hand, the dynamics of growth rates increased by 4 percent, compared to 2.9 percent in 2020 [3]. As of January 1, 2022, there are a total of 18,783 dehkan farms in Kashkadarya region, of which 5,706 are farms with legal status. Currently, more than 600,000 landowners in the region use the land efficiently and grow agricultural products. Currently, the average land area per farm in the region is 0.34 hectares [4].

In fact, the process of activity in dehkan farms is carried out in the following connection (Figure 1).

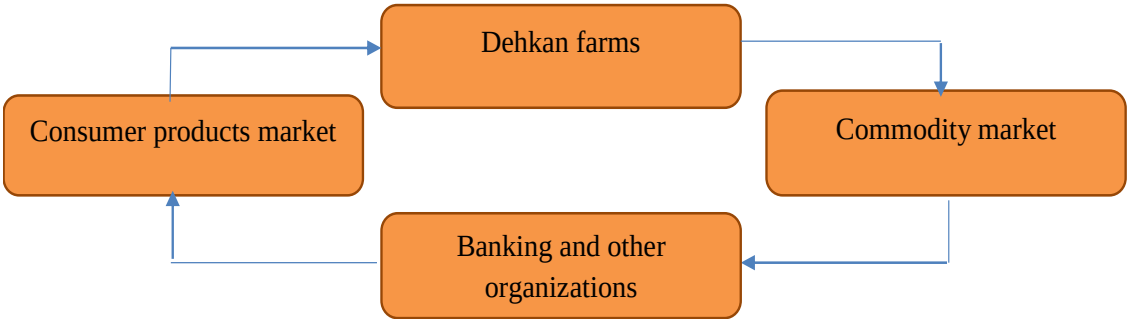

Figure 1. The mechanism of activity of dehkan farms[1].

As of January 1, 2022, the region's dehkan farms are growing cereals, fruits, grapes, vegetables, potatoes and melons. If we look at the figures, last year in Kashkadarya region, 504,988 tons of vegetables were grown in all categories of farms, of which 372,303 tons fell to the share of dehkan farms. We can see an increase of 102 per cent over the previous year. The total production of melons in the region amounted to 177,112 tons, of which 91,319 tons were produced on dehkan farms, which is 104 percent more than in the same period last year. A total of 172,334 tons of fruits and berries were produced, while 74,761 tons of fruits

[1] Prepared by the author

and berries were grown on private farms, which is an increase of 102 percent compared to last year's harvest. It can be seen that dehkan farms have a much higher rate of crop production than farms (Figure 2).

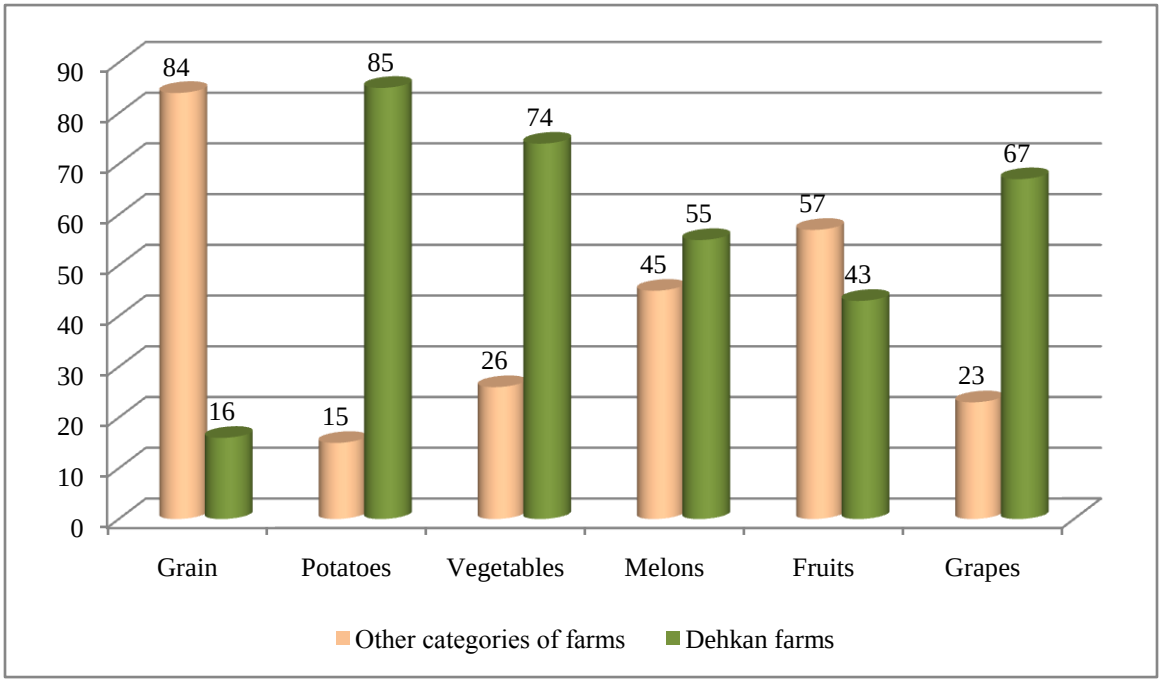

Figure 2. The share of dehkan farms (percent) in agricultural production in Kashkadarya region in 2021[1]

As it can be seen from the figure, the share of dehkan (private land) farms in the main food crops in the region in 2021 is given. This means that last year 16 percent of grain and 43 percent of fruit were grown on farms, which is lower than other categories of farms. True, most of the grain is grown on farms, so these numbers may be smaller. Eighty-five percent of potatoes, 74 percent of vegetables, 55 percent of melons and 67 percent of grapes were produced on farms, with positive results. Our goal is to further increase the share of dehkan farms in the production of agricultural products.

The following table shows the economic indicators of the main agricultural products grown in Kashkadarya region over the years.

[1] Prepared by the author based on data from the Statistics Department

Table 1 The main agricultural products grown in Kashkadarya region in 2015-2021 (thousand tons)[1]

Product type	2015		2016		2017		2018		2019		2020		2021		Chanches in 2021 compared to 2015 percent	
	OCO	DF	OCO	DF	OCO	DF	OCO	DF	OCO	DF	OCO	DF	OCO	DF	OCO	DF
Grain	906	155	938	99	964	152	801	129	938	99	886	99	993	179	110	115
Potatoes	175	125	173	144	183	153	173	144	174	145	177	145	178	142	102	114
Vegetables	505	337	520	355	525	142	496	360	495	353	492	365	509	370	101	110
Melons	140	65	151	74	153	374	150	82	163	87	152	74	152	83	109	127
Fruits	130	57	143	63	163	74	180	68	171	66	168	83	177	74	136	130
Grapes	97	40	84	37	98	64	97	48	97	50	93	55	99	66	102	165

OCO - Other Categories of Organizations

DF - Dehkan Farms

If we analyze the table, there has been an increase over the years in terms of product types, while the share of dehkan farms varies. that is, in 2015, only 17 percent of the total grain was grown by farmers. In 2021, it has changed by only 18 percent. For example, in grain production, farms produce less produce than other agricultural enterprises. Dehkan farms with a high share of potato and vegetable production. In 2015, farms accounted for 71 percent of potato cultivation, while in 2021 the figure was 80 percent. 44 percent of the fruits grown in 2015 and 42 percent in 2021 will be accounted for by farms. there was a decrease compared to previous years. If we look at the economic indicators of grape cultivation in the region, in 2015 the share was 41 percent, in 2021 – 67 percent. So, high economic efficiency can be achieved by comprehensively supporting the activities of dehkan farms.

Conclusions and suggestions.

From the above, it can be concluded that the increase in economic indicators such as efficient use of land, productivity, gross yield, income, profitability, profitability in farming depends on the study and analysis of factors affecting them.

We believe that the following should be taken into account in the exemplary organization of the activities of dehkan farms and their high economic performance:

- To take measures to increase the quality of land for high-level use of land in dehkan farms;
- On-site application of mineral and organic fertilizers to increase and maintain productivity;
- Introduction of directions for the use of foreign experience;
- Establishing relations with banks and launching credit lines;

[1] Prepared by the author based on data from the Statistics Department

- The use of innovative methods of production, the correct organization of irrigation;
- Involvement of specialists with scientific and practical knowledge and appropriate assessment of their work;
- A thorough study of the marketing system, the rational distribution of revenue, and so on.
- development of infrastructure in rural areas for production

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ISSUES OF REFORMING STATE-OWNED ENTERPRISES IN UZBEKISTAN

Valijonov Akmal[1]

ABSTRACT

The article examines the theoretical foundations of enterprise reform, defines its goals, objectives and directions, analyzes the concepts of transformation, restructuring and reorganization of enterprises, highlights the issues of reforming state-owned enterprises in Uzbekistan.

Keywords: *enterprise, market economy, principles, competition, reform, restructuring, reorganization, transformation.*

Introduction

The enterprise (firm) is the main subject of the economy, which combines the means of production, labor, material and financial resources to create the goods and services needed by society. Therefore, the stable operation of enterprises, their ability to adapt to changing market conditions in a timely manner is important in ensuring economic growth in the country. During the former Soviet Union, almost all enterprises were state-owned and they did not follow the laws of a market economy. After the independence of Uzbekistan, much attention was paid to the privatization of state-owned enterprises and increasing the share of private property in the economy. Over the years of independence, more than 33,000 state-owned enterprises and facilities have been privatized. At the same time, in a number of sectors there are enterprises with a state share in the charter capital. President of the Republic of Uzbekistan Shavkat Mirziyoyev in his address to the Parliament, ie the Oliy Majlis, on December 29, 2020, noted the following about state-owned enterprises: "As part of structural reforms in the economy, it is necessary to accelerate the transformation of state-owned companies" [1]. Currently, most state-owned enterprises remain a heavy burden on the state due to financial instability. That is why this year a program to reform all state-owned enterprises is being implemented."

In this sense, the study of the essence of the reform of state-owned enterprises and the development of scientific and methodological bases is one of the most important topics in economics.

Results and Discussion

Concepts such as "reform", "restructuring", "reengineering" and "reorganization" are used to describe the changes that have taken place in the enterprise. There are a number of definitions of these concepts in the economic literature.

Enterprise reform is a broad concept that involves changing the economic activities and directions of the enterprise, including the restructuring and reengineering of the business process [2]. Enterprise reform is the sum of changes made in enterprises in order to create conditions for effective management of enterprise resources and on this basis to attract investment [3].

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Restructuring is the reorganization of the structure of the enterprise, which is carried out in order to effectively use all its resources and includes the separation, merger or liquidation of existing structural units of the enterprise [4]. Restructuring is a complex reorganization of the organization's activities in order to increase the level of profitability, competitiveness of the enterprise, reduce losses and prevent the risk of bankruptcy, change the structure of production, assets and liabilities and management system [5].

Foreign scientists E. Vouman and H. Singx describes the restructuring as the sum of operations to sell or buy assets in order to transform the internal structure of the company [6].

Hammer M and Champi G, two leading scientists in management science, recognize the concept of reengineering as a radical restructuring of business processes in order to improve the efficiency of key indicators of current business [7].

Reorganization of an enterprise is a more legal process and is also defined by law. For example, according to Article 49 of the Civil Code of the Republic of Uzbekistan, reorganization of a legal entity may be carried out in the form of addition, merger, division, separation and change. So, reorganizing an enterprise is just a process of changing the enterprise itself.

The main purpose of reforming enterprises, including state-owned legal entities, in countries with emerging market economies is to adapt them to operate on the principles of a market economy. The authors of the world-famous book "Economics" K. R. McConnell and S. L. Brew emphasizes the following basic principles of a market economy:

- The interest of the entrepreneur;
- Freedom of enterprise;
- Availability of private property;
- Free competition environment;
- Price formation through the market;
- Limited role of the state [8].

One of the important issues in the reform of state-owned enterprises, which is constantly supported by the state, is to ensure their competitiveness in a free competitive environment.

The purpose of the enterprise reform is to take measures to increase their competitiveness, introduce an effective management system, reduce production costs and improve financial and economic performance.

The main tasks of reforming state-owned enterprises may be as follows:

- Ensuring the competitiveness of products and services in domestic and foreign markets;
- Introduction of international financial reporting standards;
- Formation of a corporate governance system that provides for modern governance, including the interests of all parties;
- Reorganization of the state unitary enterprise into a business society;
- Increasing the investment attractiveness of the enterprise;
- Formation of effective owners in state-owned companies through privatization;

- Restriction of state interference in the activities of enterprises.

In recent years, the term "enterprise transformation" has been used in government decisions on privatization and reform of state-owned enterprises. In accordance with the Decree of the President of the Republic of Uzbekistan dated October 27, 2020 No PF-6096 "On measures to accelerate the reform of state-owned enterprises and privatization of state assets" provides for the transformation of 32 large state enterprises and business associations. The economic literature provides definitions of the concept of transformation. Transformation is a change in the structure, form, methods and direction of economic activity [4]. In interpreting the concept of transformation in economic processes, they use terms such as changing economic and social relations, liberalization, changing the form of ownership. [9]. Liberalization of state-owned enterprises, supported and controlled by the state, is also an important condition for their reform.

Taking into account the above, the concept of transformation of a state-owned enterprise can be defined as follows: transformation of a state-owned enterprise is a set of measures taken to transfer it to operate on the basis of market principles and mechanisms, to create an effective organizational structure and management system, to ensure the competitiveness of the enterprise in domestic and foreign markets.

The state participates in enterprises not only as a shareholder and contributor, but the state can also participate as a founder in unitary enterprises. The sole owner of state unitary enterprises is the state. Today, there are 842 state unitary enterprises in Uzbekistan [10]. In reforming these enterprises, first of all, it is necessary to consider the issue of reorganization of them into business companies, ie joint-stock companies or limited liability companies. Business societies have a number of advantages over other organizational and legal forms of enterprises. For example, the priorities of joint stock companies include:

- Attracting additional funds to the enterprise through the issuance and placement of shares;
- Unlimited number of shareholders in joint-stock companies that have openly subscribed to shares, free withdrawal of shareholders from the joint-stock company by sale of shares to other persons or admission of new shareholders;
- Limited liability of shareholders for the company's obligations;
- Perfect structure of the management system in relation to other organizational and legal forms of enterprises, ie the division of management into current, general and control parts.

A common type of business company is a limited liability company. In accordance with the Law of the Republic of Uzbekistan "On Limited Liability and Additional Liability Companies": a limited liability company is a business company established by one or more persons, whose charter capital is divided into shares in the amounts specified in the constituent documents. The participants of a limited liability company shall not be liable for its obligations and shall be liable for damages related to the company's activities within the limits of the value of their contributions. The number of participants in a limited liability company should not exceed 50. The advantages of such companies are the simplicity of the requirements for their establishment in relation to joint-stock companies, the ability to quickly make management decisions, the right of each participant to participate in management.

Among the enterprises to be transformed are large companies in the form of holdings, including Uzbekneftegaz JSC, Uzavtosanoat JSC, Uzbekistan Railways JSC, Uzdonmahsulot JSC and other economic authorities. These joint-stock companies form the basis of the industries in which they operate, and they include a number of enterprises. Resolving the issues of restructuring of joint-stock companies,

management of its enterprises and regulation of corporate relations between them through market mechanisms are also important in their transformation.

Conclusions

The following conclusions and recommendations were obtained as a result of this study:

- Successful implementation of programs of reform and transformation of state enterprises and business associations will significantly contribute to the development of market relations and a free competitive environment in the economy;
- Today the share of the state in large enterprises in the leading sectors of the economy is maintained. When considering the issue of reducing state participation in them, it is necessary to develop criteria for determining the strategic importance of enterprises and on this basis to divide enterprises into two groups, ie enterprises of strategic importance and those that do not. It is expedient to transform and reform enterprises that need to retain strategic state participation;
- It is expedient to give a legal definition of the concept of transformation of a state-owned enterprise through legislation;
- The goals and objectives of state participation in each state-owned enterprise should be defined. It is necessary to privatize enterprises that do not require socio-economic participation of the state:
- It is expedient to develop market mechanisms for managing subsidiaries of enterprises with the participation of the state.

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CONCEPTUAL MODEL OF FORMATION OF TOURISM CLUSTER

Narziev Mirfayz Maxmudjonovich[1]

ABSTRACT

The article examines the advantages of developing the tourism sector on the basis of a cluster approach and develops a conceptual model of the tourism cluster. Based on this model, it is proposed to create innovative tourism clusters.

Key words: *tourism cluster, effectiveness, conceptual model, innovative products, regional competitiveness, destination model, added value system, touristic season, touristic zones.*

Introduction

The New Development Strategy of Uzbekistan[2] for 2022-2026 noted the development of a cluster system in driver spheres on the basis of the principle "from raw materials to ready products," in which it is necessary to ensure the stability of the national economy and develop it on a cluster basis.

The Concept for the Development of Tourism sector in Uzbekistan Republic for 2019-2025 also states that[3] "To develop new attractive and competitive tourist products/programs in the Republic of Uzbekistan in various and different seasons of the year, including by creating thematic tourist zones and clusters in the country, as well as future types of tourism (pilgrimage, education, environmental, ethnographic, gastronomic, sports, medical and recreational, rural, industrial, business, etc.)". In this regard, attention is paid at the state level to the development of tourism as a strategic sector of the economy.

In particular, as noted in the decree of the President of the Republic of Uzbekistan dated April 30, 2022, № PF-232, "On additional measures to diversify domestic tourism services", that large-scale projects should be launched in the creation of sanatorium resorts in Bogota **"Kala-zhyk"** and Akchakul in Ellikkal, to establish **"Ancient Bukhara"** and **"Tenth Century Ethnic Village"** in Bukhara, **"Oasis"** in Namangan, **"Syrdarya Ecotourism"** in Syrdarya, **"Garden"** tourism clusters in Tashkent region and **"Fergana Park"** theme park in Fergana region.

70% of the economies of developed countries are cluster-based. The priority of development on the basis of a cluster approach is to create a cluster on the basis of a sphere developed in each region, that is, natural and climatic, historical, cultural and economic and social, as a result of the economic growth of the region, the opening of new jobs and firms will increase the competitiveness of the region.

Materials and methods.

The development of the economy of Uzbekistan on the basis of the cluster approach began in 2017, when a number of scientific and practical work is being carried out to organize and develop the cotton-textile

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[2] Decree of the President of the Republic of Uzbekistan No. PF-60 of January 28, 2022, "On the Development Strategy of New Uzbekistan for 2022-2026": https://lex.uz/docs/5841063

[3] The Concept of Development of Tourism Development in the Republic of Uzbekistan for 2019-2025, approved by the Decree of the President of the Republic of Uzbekistan PF-5611-con dated January 5, 2019 "On additional measures for the accelerated development of tourism in the Republic of Uzbekistan". National Database of Legislation, 06.01.2019.

cluster, the production, processing and export of agricultural products through the cluster system, the copper industry cluster, the national machinery cluster and tourism clusters.

In the field of tourism - the opening of the 580-seat Amirsoy ski resort in Bostanlyk district of Tashkent region, the Silk Road Family Resort on the shore of the Tudakol Reservoir in Kyzyltepa district of Navoi region and the Bukhara Desert in the Varakhsha massif of Romitan district in Bukhara region, “Oasis & SPA” innovative tourism clusters have been established. At the same time, the launch of the Charvak free tourist and recreational zone and the Zaamin tourist and recreational zone was a great impetus for the development of the tourism industry.

Currently, Uzbekistan has created road maps for development for all areas of tourism, the tourist flow is increasing as a result of the creation of the Association of Gastronomic Tourism, the Barista Association, the International Folklore Festival "Boysun Spring" in Surkhandarya, the "Silk and Spices" and the "International Embroidery and Jewelry" festivals in Bukhara city. As a result, the demand for new services and tourism products is growing, and there is a need to organize tourism clusters on the basis of these tourist associations and festivals.

For this, as a result of studying the experience of international tourist clusters, there is a need to form models for the formation and development of tourist clusters in Uzbekistan.

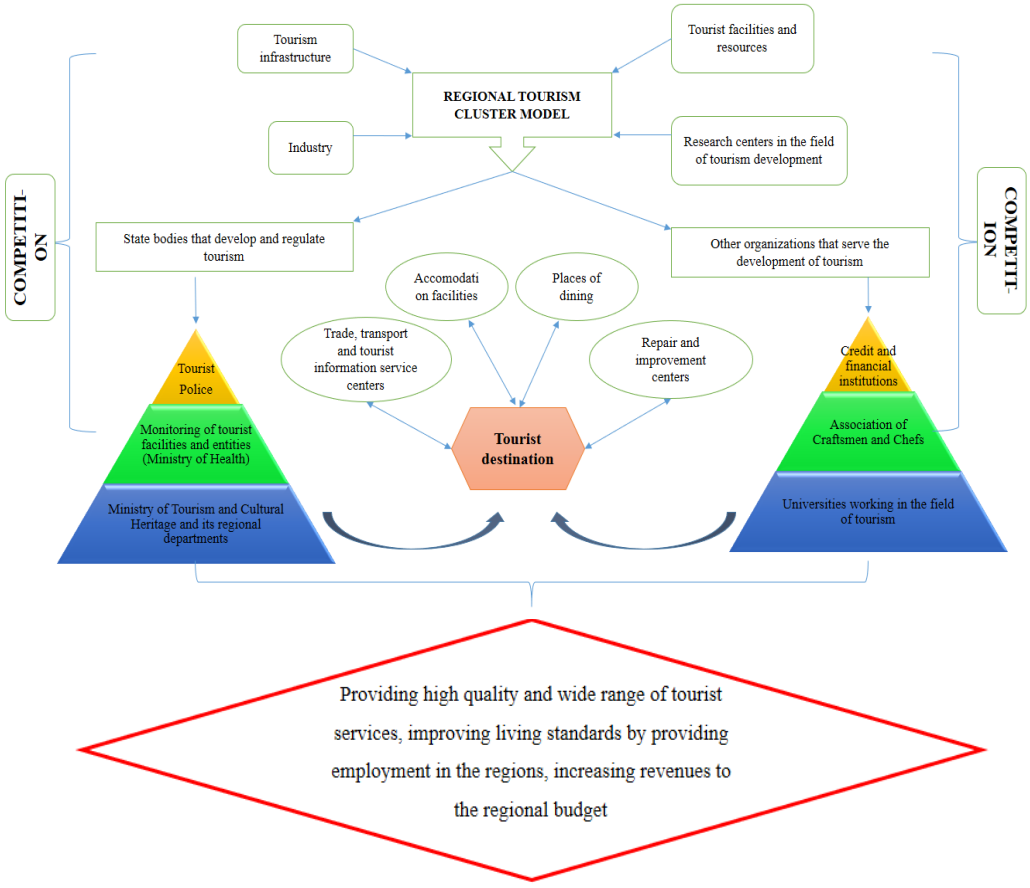
Results.

If we consider the organizational structure of existing tourist clusters based on international experience, scientists call them as a model of a tourist cluster based on a process approach, that is, on the principle of accumulation of added value; demand-based, i.e. a model of organizing a tourist cluster around that tourist object, taking into account the existing tourist demand in a particular tourist object; identifying tourist information centers as the core of the tourism cluster, the model of forming tourism clusters around them, and others in their scientific work.

In 2012, Professor of St. Petersburg State University of Economics E.G. Karpova created her structural model of a tourist cluster based on a process approach[1], the main element of which is the needs of tourists, for which the main process of providing complex tourist services has been formed. The author describes the main organizational processes in the tourism cluster as a system of accumulation of value, which includes trade channels, transport companies, accommodation facilities, catering facilities, entertainment facilities and attractions. In terms of a process approach, the entry process of this model is the development of tourism services, and the exit process is the consumption of complex tourism services. At the same time, the level of satisfaction of tourists is an assessment of the results of all business processes of the cluster, which determines the content of the process of coordination and management through feedback. The rest of the business processes are considered as suppliers and are not included in the value-added system of the tourism cluster.

[1] Karpova E.G. *Razvitie sfery turistskikh uslug krupnogo turistskogo tsentra na osnove klasternogo podkhoda* [Development of the sphere of tourist services of the large tourist center on the basis of cluster approach]: Avtoref. diss. … k.eh.n. 08.00.05. SPb.: FGBOU VPO Sankt-Peterburgskij gosudarstvennyj inzhenerno-ehkonomicheskij universitet, 2012. S.10. (19).

Further, as an example - a model for the development of global competitiveness of tourist clusters[1], developed in 2010 by American scientists N. Kim and B.E. Wicks, which is considered as an effective territorial form of increasing the competitive advantages of tourist entities. Kim, the Wicks model based on M. Porter's "competitive advantages" theory, includes three important additions: the transnational company has an important role in the tourism cluster; all inter-cluster entities participate in this cross-sectoral collaboration; in the model, cluster participants and factors of cluster formation and development are considered separately. According to the presented model, cluster participants include the state, universities, tourism companies, destination management organizations (associations, associations, etc.) and transnational companies.



Pic. 1. Conceptual regional tourism cluster model[2]

[1] Kim N., Wicks B.E. Rethinking Tourism Cluster Development Models for Global Competitiveness. *International CHRIE Conference-Refereed Track. Paper 28. (July 30, 2010)*. Available at http://scholarworks.umass.edu/refereed/CHRIE (accessed 28.02.2022).

[2] Compiled by the author.

Having studied the organizational structure of the above existing clusters, we offer our conceptual model of the regional tourism cluster as follows (Pic. 1).

The model includes tourism infrastructure, tourist facilities and resources, shopping and entertainment centers, state bodies of industry, tourism development and regulation and other supporting organizations, accommodation facilities, food places, associations of artisans and cooks and increases the competitiveness of the region by developing a tourist destination. At the same time, a tourist destination, a certain city, a tourist site, a health center or an entertainment center can act as a cluster core. The management of the cluster will be successful if it is carried out by the regional departments of the Ministry of Tourism and Cultural Heritage of the Republic of Uzbekistan.

The differences between the proposed regional tourism cluster model and other models are as follows:

1. Tourist Police activities as part of the tourist cluster. As you know, at present, instability in some countries of the world encourages tourists to be vigilant and encourages them to travel to peaceful countries.
2. Definition of "tourist destination" as the core of the tourist cluster. At the same time, the organization of the tourist cluster requires the presence of a certain tourist resources, objects. Around this touristic resource/object, tourist services will be organized around the facility and demand will be formed. This can be seen in Niagara Falls, Disneyland Park, the famous Karlovy Vary sanatoriums in the Czech Republic, the Hollywood area of the United States and other examples. If you look at the territory of Uzbekistan, scientific work has been done on the formation and practical recommendations have been given on combining the cluster "Pilgrimage Tourism" of the Bukhara region, including the sanctuary "7 Saints", an agroecotouristic cluster in the village "Mironkul" of the Samarkand district of the Samarkand region and the Khiva tourist cluster which includes Khorezm region and surrounding tourist facilities.
3. The presence of an association of artisans and cooks in the conceptual model of the regional tourism cluster will increase the competitiveness of the cluster and enhance its position in the world.

Discussion.

In our opinion, based on the proposed conceptual model of the regional tourism cluster, it is possible to create innovative tourist clusters by taking the following tourist resources and places of the Bukhara region as the tourist core (Table–1). These tourist clusters have the ability to provide year-round service and the duration of the tourist season will be extended.

Table–1. Information on innovative tourism clusters

№	The name of the tourist cluster	Cluster members	Cluster activity
1.	***Yummy Bukhara Cuisine***	Restaurants that cook, teach and sell Bukhara and Uzbek national dishes and desserts	Gastronomic tourism
2.	***Bukhara Summer Surprises***	“Bukhara Desert Oasis & Spa” ecocluster, “Silk Road Family Resort” new resort zone, “Jayron” ecologic center	Summer desert trip and family vacation on the shores of Tudakol river

3.	***Islam & Holy Bukhara***	Visit to Imam Bukhari complex, 7 Pir and Chor-Bakr historical monuments complex in Bukhara	Pilgrimage tourism
4.	***Authentic Bukhara Healthcare***	Treatment with salt and sand in summer, rest in ancient baths in winter, purification of blood through hijama (medical blood cleaning)	Medical tourism
5.	***Magic Bukhara National Art***	Getting acquainted with and teaching jewelry, goldsmithing, carpet weaving, embroidery and blacksmithing, which are the ancient crafts of Bukhara.	Craft tourism

According to the table, 5 proposed innovative tourist clusters can be organized in the directions of gastronomic, beach, pilgrimage, medical and craft tourism.

Conclusion.

Innovative tourism clusters created on the basis of the conceptual model of the regional tourism cluster solve the following problems:

- Improving the efficiency of enterprises and organizations that are part of the cluster;
- Drive innovations;
- Stimulating the development of new directions;
- Rational use of available natural potential;
- Priority development of domestic and inbound tourism in the region;
- Creation and development of a highly efficient and competitive tourist complex in the region;
- Development of a marketing strategy for promotion of tourist products and creation of a favorable image of the region as a tourist destination.

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ANALYSIS OF PROBLEM LOANS IN COMMERCIAL BANKS OF THE REPUBLIC OF UZBEKISTAN

Kalandarov Abdulla Bakhtiyorovich[1]

ABSTRACT

The existing problem loans in banks of the Republic of Uzbekistan were analyzed in the section of commercial banks. The reasons for the growth of problem loans were studied. The main shortcomings of the existing program for reducing problem loans were highlighted and areas of improvement based on foreign experience were identified.

Keywords: *Bank, loan, borrower, overdue debt, problem loan, NPL, credit monitoring, risk of loan non-repayment.*

Introduction

The quality of the loan portfolio in all commercial banks of Uzbekistan has significantly decreased in recent years. In turn, ensuring the quality of the loan portfolio, which is manifested from the main financial indicators of the banking system, leads to a deterioration in the financial stability of the entire banking system [1].

In particular, the Decree of the President of the Republic of Uzbekistan №. PF-5992 "On the Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025" dated May 12, 2020 provides that in order to achieve the strategic goals of improving the financial stability of the banking sector, ensuring moderation in lending growth and improving the quality of the loan portfolio of the banking system is one of the priorities, as well as the relevance of reducing the share of problem loans in banks [2].

Literature review

Credit risks, problem loans, their causes and issues of their elimination were studied by foreign scientists Walraven K., McNaughton D., Ozius M., Polfreman D., Putnam B., Reidhill D., Rose P., Ford F., Hoggart G., Sheng E. and others.

Also, issues related to credit risks and problem loans were discussed by the Russian economists Bukato V., Gryaznova A., Kolesnikov V., Lavrushin A., Alshani A., Panova G., Petshanskaya I., Osaskin V., Kovanov A., Kuznisov S., Lykova N., Nurzat A. and others.

Lending issues were discussed by the domestic scientists, such as Abdullaeva Sh., Iminov O., Mullajonov F., Pshenichnikov V., Ten V., Kadyrov A., Gozibekov D., Karaliev T., Tukhtabaev U. and others.

The British economists David Polfreeman and Philip Ford commented from a banker's point of view: "It is very easy to lend money, but to secure its return is where skill is required" [3].

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According to the American expert Peter Rose, who conducted an effective study in the field of banking management, non-payment by the borrower of one or more payments, or a decrease in the value of collateral on a loan means that the loan belongs to the category of problem loans [4].

The Russian scientist-economist O.I. Lavrushin noted that a problem loan is understood by the bank as a loan in which there are doubts about its object, subject and collateral. According to their views, it is clear that substandard, doubtful and unreliable loans, that is, all loans, with the exception of current loans that have not expired, including those that are indebted, even if they are short-term in terms of principal and interest on loans are also problematic, at least in the case of a one-time restructuring without changing the terms of the loan [5].

Research Methodology

This article analyzed the existing problem loans in commercial banks, as well as identified factors affecting the stability of the bank's loan portfolio. In the process of analysis, scientific abstraction, peer review, induction and deduction, comparison, system analysis methods were used.

Analysis and results.

According to the President of the Republic of Uzbekistan Sh.M. Mirziyoyev, in the industry - 3 trillion sums, in trade and services - 2.1 trillion sums, in agriculture -1.8 trillion sums, in construction - 978 billion sums, in transport and communications - 547 billion sums there were problem loans.

At the junction of the regions of Jizzakh, Samarkand, Surkhandarya and Tashkent regions, each has about 1 trillion sums of problem loans [6].

The share of problem loans in the banking system reached its highest level of 6,2 percent in July 2021. The measures taken made it possible to reduce the share of problem loans by 0,8 percent and as of February 1 this year amounted to 5,4% (17,5 trillion sums).

As of February 1, the total volume of problem loans in the banking system increased by 503 billion sums and amounted to 17 trillion 477 billion sums. The volume of the problem loans in the loan portfolio of state-owned banks amounted to 15 trillion 522 billion sums. In January, the largest increase in problem loans was observed in Ipoteka-Bank (+197 billion sums), Qishloq Qurilish Bank (+141 billion sums), National Bank (NBU) (+109 billion sums). Asaka bank (-87 billion sums), Halyk Bank (-67 billion sums) and Agrobank (-4 billion sums) managed to repay some of the bad loans.

Among state-owned banks, the largest share of problem loans belongs to Uzagroexportbank – 56,3%, Halyk Bank – 19,6%, Microcreditbank – 6,3%, Qishloq Qurilish Bank – 5,0%, National Bank (NBU), Aloqa bank and Asaka bank – 4,7% and Agrobank 4,6%.

As of February 1, the amount of problem loans in the loan portfolio of non-state banks increased by 49 billion sums and amounted to 1 trillion 954 billion sums. Asia Alliance Bank (+59 billion sums), Trust bank (+43 billion sums), Universal Bank (+11 billion sums) increased the amount of overdue debt, Kapital bank (-37 billion sums), Ipak Yuli Bank (-10 billion sums), TBC Bank and Ravnaq-banks (-9 billion sums each) repaid part of the bad loans.

The share of problem loans in the total loan portfolio increased by 0,2 percent in January and reached 5,4 percent. The share of problem loans in the loan portfolio of Hi-Tech Bank (93,1%), Turkistonbank

(69,1%), Uzagroexportbank (56,3%), Ravnaq bank (22,2%), Halyk Bank (19,6%), Savdogarbank (11,8%), Asia Alliance Bank (10,8%) remains high.

A detailed table can be showed below [7]:

Table No. 1

Information on Non-performing loans of commercial banks as of February 1, 2022 (*billion UZS)*

№	Bank name	Loans	Problem loans	NPL
Total		**324 139**	**17 477**	**5,4%**
Banks with State ownership		**277 522**	**15 522**	**5,6%**
1	National Bank (NBU)	73 037	3 414	4,7%
2	Uzpromstroybank	42 823	1 660	3,9%
3	Asaka bank	37 023	1 732	4,7%
4	Agrobank	32 220	1 492	4,6%
5	Ipoteka-bank	28 698	1 170	4,1%
6	Halyk Bank	19 303	3 790	19,6%
7	Qishloq Qurilish bank	17 630	890	5,0%
8	Microcreditbank	10 844	683	6,3%
9	Turon bank	8 104	312	3,8%
10	Aloqa bank	7 731	361	4,7%
11	Poytakht bank	77	2	2,3%
12	Uzagroexportbank	30	17	56,3%
Other banks		**46 617**	**1 954**	**4,2%**
13	Hamkorbank	9 409	110	1,2%
14	Kapital bank	8 250	198	2,4%
15	Ipak Yuli bank	6 406	213	3,3%
16	Invest Finance bank	3 731	54	1,5%
17	Orient Finance bank	3 661	27	0,8%
18	Trust bank	2 698	94	3,5%
19	Davr bank	2 178	16	0,7%
20	Asia Alliance bank	1 892	204	10,8%

21	Tenge bank	1 714	120	7,0%
22	KDB Bank Uzbekistan	1 618	0	0,0%
23	Ziraat Bank Uzbekistan	854	20	2,3%
24	Savdogar bank	838	99	11,8%
25	Universal bank	759	17	2,3%
26	Turkiston bank	684	473	69,1%
27	Anor bank	654	12	1,8%
28	Ravnaq-bank	550	122	22,2%
29	TBC bank	390	8	2,1%
30	Madad Invest bank	160	19	12,1%
31	Hi-Tech bank	159	148	93,1%
32	Branch office of Bank Saderat Iran	13	0,1	0,6%
33	Apelsin bank	0	0	0,0%

Also, in January of this year, problem loans were collected in the amount of 2 trillion sums, while an additional 2,5 trillion sums amount of the new problem loans. As a result, the balance of problem loans increased by 503 billion sums over the month, most of which fell to the share of Ipoteka Bank (197 billion sums), Qishloq Qurilish Bank (141 billion sums), and the National Bank (NBU) (109 billion sums).

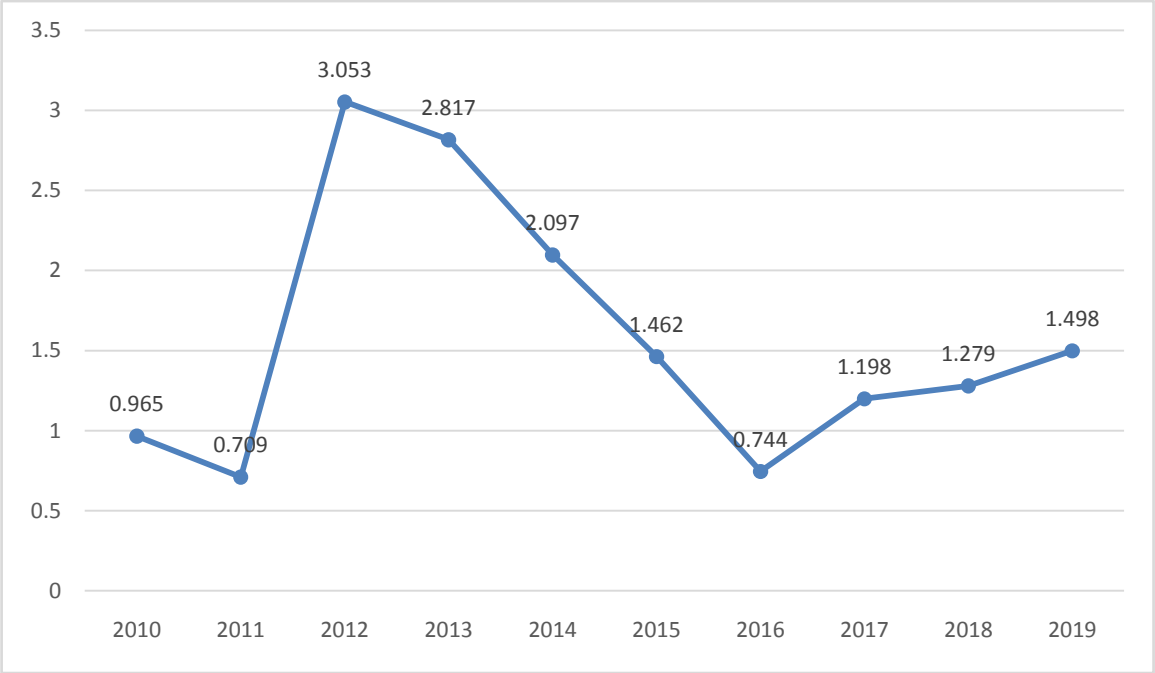
According to the Central Bank, as of February 1, 2022, according to information on the loan portfolio of commercial banks and problem loans, the volume of loans directed to the economy decreased by 2,3 trillion sums and amounted to 324,13 trillion sums. This decrease occurred at the expense of state-owned banks. The loan portfolio of all state-owned banks decreased, except for Qishloq Qurilish Bank (+134 billion sums) and Microcredit Bank (+29 billion sums). In addition, there were no changes in the loan portfolio of the currently inactive Uzagroexportbank.

The loan portfolio of non-state banks increased slightly. Among these banks, the loan portfolio of Kapital bank (+220 billion sums), Hamkorbank (+75 billion sums), KDB Bank Uzbekistan (+60 billion sums), TBC bank (+45 billion sums), Anor bank (+42 billion sums) has grown.

This situation negatively affects the stability of the country's banking system, that is, the turnover of bank funds, the timely fulfillment of the bank's obligations to its customers. Losses from problem loans are reflected not only in losses directly related to repayment of the loan and non-payment of interest. Losses from problem loans are more pronounced in the following cases:

- Firstly, freezing of profitable assets of commercial banks;
- Secondly, the loss of confidence of depositors, investors and other customers in the bank and the decline in the bank's reputation;

- Thirdly, the increase in administrative expenses of the bank due to the need for special attention and control from the credit departments of commercial banks;
- Fourthly, an increase in the risk of losing qualified personnel by the bank as a result of a decrease in material incentives due to a decrease in profits from lending operations, and so on [8].



1-picture. Index of non-performing loans of commercial banks of Uzbekistan (based on data from the World Bank)

According to the latest 10-year analysis by the World Bank, the country's overall non-performing loan index for commercial banks recorded an upward trend from 0.965% in 2010 to 1.498% in 2019. As part of the analysis, the lowest rates were 0.709% and 0.744%, respectively, in 2011 and 2016. The highest point of non-performing loans was observed in 2012, during which the indicator was 3.053% (Fig. 1) [9]. Singapore, Hong Kong, Canada, Uzbekistan, and Macau also showed the lowest values of this indicator in 2015. Countries such as San Marino, Cyprus, Greece, Ukraine and Serbia are among the countries with the highest level of non-performing loans in the world in terms of total debt [10].

Conclusion.

Conclusions and recommendations on liquidation of problem loans in commercial banks or minimization of their share:

1. Ensuring the financial stability of the banking system by improving the quality of the loan portfolio and managing problem loans, maintaining a moderate growth in lending, attracting managers with international experience, and introducing technological solutions for assessing financial risks;
2. Comprehensive transformation of commercial banks, introduction of modern banking standards, information technology and software in the field of recovery of problem loans;

3. Implementation of targeted measures, extensive implementation of judicial and legal work to recover problem loans, as well as monitoring the financial situation of the borrower during the provision of a loan and at the stage of its servicing, strengthening the capacity of credit monitoring units dealing with problem loans in banks, and the effective use of all legal acts, established by law;
4. Involvement of international consultants as responsible for the processes of reducing the share of non-performing loans in the loan portfolio of commercial banks;
5. Negotiating and concluding deals with international financial institutions and potential foreign investors on the issues of reducing the share of non-performing loans in the loan portfolio of commercial banks.

The practical application of these proposals will help reduce problem loans of banks, as well as stabilize their financial situation.

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