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Message

Editor in Chief / Managing Editor



***Dear Academicians & Research Scholars,
Happy Independence Day 2020***

My dear valuable authors & research scholars as you know that our open access a double peer reviewed referred an international research journal listed with many research organizations like, Global Impact Factor Australia, SAJI Australia, Google scholar, Directory of research journal indexing(DRJI), LinkedIn and also approved in Higher Education Supreme Authority Uzbekistan. We are also member of PILA (Crossref) USA. The real motive of our international research journal is to publish worthy research papers after double blind peer review process. There is no doubt that today we have completed 10 years of our successfully publications and given international platform to our authors for publication in this journal from worldwide. I say thanks to all those authors, who belongs in the management or related field supported me direct or indirectly for the same. During the last previous years of our research journey, you can see that there are so many research papers, case studies, book reviews coming from across the world, in the field of management or related. Many academicians, research scholars & students have approached from different countries like USA, Thailand, Indonesia, Saudi Arabia, Iran, Spain, Nigeria, Kenya, Nepal, Pakistan, Sri Lanka, Uzbekistan to publish their research papers in our esteemed International research Journal. We have considered most of them to publish after peer blind review process. We have also published many research papers from different management institutes of our country. They are sending regularly for publication in the upcoming issues. In addition to, it, there are many academicians, research scholars and institutes subscribing for our journal for reading by students and faculties. There are so many academicians who are approaching for being associated with our editorial & advisory board or as a review expert. We have selected some of them from foreign countries like USA, Nigeria, Uzbekistan and Sri Lanka, Nepal. The standard of our all research papers like empirical, conceptual, book review and case study is increasing the popularity of this Journal day by day. The most inspirable things of our journal are Motivational quotations which are appreciated by readers. Our renowned advisory board & editorial board members giving me advise to maintain quality of the journal and its become a real mile stone of our success.

Research is a need of today's life, without research nothing is possible in the universe. Because, research bringing revolutionary change in the life. Research based study always support academicians & scholars to upgrade their innovative skill and academic profile as per UGC and AICTE norms. I would also like to request those, who are interested to get their research papers published in the field of Retail, Tourism, Hospitality, Event Management, Import and export, HRM, Finance, Marketing, Advertising, Accounting, Economics, Aviation, and IT etc. to send their research papers through email.

For Covid-19 pandemic.... Stay Home stay Safe

Dr. P. S. Bhadouria

DIRECTIONS FOR IMPROVING MANAGEMENT ACCOUNTING IN BUSINESS ENTITIES

Otabek Olimjonovich Sobirov¹

ABSTRACT

This article discusses the directions for the development of proposals and recommendations aimed at increasing the economic efficiency of enterprises through effective management of business entities in the Republic of Uzbekistan, identifying existing problems, identifying directions for their elimination, improving management accounting.

Keywords: Accounting, Financial Account, Management Account, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Business Entities, Economics, Investment, Audit.

INTRODUCTION

Large-scale reforms are being carried out to support economic entities, to develop them by attracting modern technologies to the industry, to ensure effective management of business entities in our country. Currently, one of the most pressing issues is the organization of financial reporting of business entities in accordance with international standards. Incentives are also provided for companies that report financially in accordance with international standards.

The introduction of management accounting in enterprises is the most effective way to solve the problems facing the enterprise. Accounting management methods allow timely detection of errors in the activities of the enterprise, timely correct the identified errors and make strategic decisions based on the collected and processed data.

At present, there are no unresolved issues in the formation of management accounts of enterprises. Qualified professionals have a sincere interest in the work done by the manager, patience and careful strategy help the organization to avoid sharp turns and keep management records in the enterprise, leading to minimal losses.

On February 24, 2020, the President of the Republic of Uzbekistan Shavkat Mirziyoyev adopted a resolution "On additional measures for the transition to international financial reporting standards" to solve problems in the industry. In order to accelerate the transition to international financial reporting standards, provide foreign investors with the necessary information and data, expand access to international financial markets, as well as improve the system of training of accounting and auditing specialists in accordance with international standards, joint stock companies, commercial banks, insurance companies and large taxpayers. From 2021, the incorporated legal entities will organize the preparation of financial statements on the basis of international standards (IFRS) and from the end of 2021 will prepare financial statements on the basis of international standards.

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In addition, the President of the Republic of Uzbekistan Sh.M. Mirziyoyev emphasized the importance of simplifying the licensing and permitting procedures for entrepreneurs of the most complex industry and the development of draft laws "On small and medium-sized businesses." This will serve the interests of economic entities in our country and will further improve the conditions created for them. In turn, the efficient and rational use of such opportunities requires strict management [1].

THE MAIN FINDINGS AND RESULTS

It is important to remember that management accounting is not a frozen system, but a flexible process that must adapt quickly to any external and internal changes. In order for enterprises to achieve economic efficiency, a single properly selected cost accounting system provides a basis for significantly expanding business efficiency and increasing enterprise revenues. However, it is not enough to choose an appropriate cost accounting system, it is necessary to apply management accounting methods. They depend on the distribution of costs (direct and indirect, constant and variable) rather than in terms of accounting for the cost of production, which allows for more accurate information about the structure of management costs.

At each stage of the current activity of management accounting, it is important to follow the established principles. Dynamics, rationality, efficiency - these are the basic principles of management accounting in the organization, and adherence to them is the key to the success of the enterprise. Management accounting is a system that allows you to analyze the financial and economic condition of the enterprise, optimize resource allocation costs and improve financial performance as a result of the organization and implementation of systems such as collection, registration, summarization and presentation of objective information about the organization.

Unfortunately, the Covid-19 pandemic, which has now reached the level of a pandemic that has spread throughout the world and has become a problem, has not bypassed Uzbekistan, like all countries. In a pandemic, the economies of many countries are experiencing a sharp decline.

Taking into account that entrepreneurship is the main component of the country's economy, the government has adopted a program of measures for the development of entrepreneurship in order to ensure the stability of our economy during the pandemic. To ensure the development and stability of this sector, funds and subsidies are allocated from the state budget. Such reforms are proving to be the most correct and effective way against the background of economic downturns in the world economy, and the correctness of these reforms is recognized by the world community.

The main purpose of management accounting in business entities is to find reserves to increase the efficiency of the enterprise. Management accounting allows you to effectively solve a number of tasks:

1. Implementation of business planning through budgeting;
2. Cost management and optimization using operational data;
3. Analysis of deviations of current indicators from planned ones on the basis of management reports;

The organization of management accounting in business entities is based on certain principles of effective management policy of the enterprise. These principles include:

1. Frequency corresponding to the production cycle;
2. Continuity and repeated use of information;
3. Formation of acceptable reporting indicators for all levels of management;
4. Application of budgeting;

5. Evaluation of the performance of separate structural units;
6. Reliability, completeness, speed and ability to analyze information;

In our opinion, effective management of management processes, ensuring the transparency of reporting data also depends on the correct organization of the audit system. It should be borne in mind that each enterprise will determine future planning based on the results of reports for the past and current period. To this end, it is beneficial for the company to conduct an audit of each company once a year, and serves as a guarantee of providing open and reliable information for future cooperation. The audit will also strengthen the reputation and reputation of financially stable and efficient enterprises.

Automation of management accounting is of great importance for the effective organization and improvement of management accounting in the republic.

Automation of enterprise management accounting is highly effective if it meets the following requirements:

1. Completeness and objectivity of the reflection of all the facts of economic activity;
2. Timely recording and submission of information;
3. Significance of indicators;
4. Integrity of the management accounting system;
5. Intelligibility for all users;
6. Regularity.

The main stages of the formation and implementation of automation for the effective organization of management accounting, taking into account the fact that it is carried out in several stages:

1. Production and approval of specifications;
2. Development of the enterprise strategy with definition of the purposes and priorities;
3. Analysis and diagnostics of the existing organizational structure, system of financial and economic relations, organization of production, planning and accounting system.
4. Creation of a database for the implementation of the management system;
5. Development of the financial structure of the enterprise and identification of centers of financial responsibility;
6. Development of cost management system, cost classification;
7. Formation of management reporting system;
8. Creating a budget system;
9. Introduction of administrative accounting;
10. Process automation.

In the future, appropriate rules will be developed that determine the rules and regulations at each stage of the implementation of automation of management accounting and the definition of the goals and strategy of the enterprise.

They are reflected in special regulations that are documents that reflect the policies of enterprises.

The automation process in enterprises must be systematic, which, in turn, serves to prevent common financial errors and additional financial costs and wasted time by correcting them. Management accounting software allows you to solve management and reporting tasks by automating processes.

The management account provides the following information to the management:

1. Valuation of shares;
2. Profit calculation;
3. Cost formation;
4. Substantiation of sales prices;
5. Income and expenses.

The data obtained is analyzed and prepared for decision making. During the analysis:

1. Determines the targeted use of resources;
2. Determines the ability of the organization for further growth and development;
3. Prepares information on the existing range, production or sales volume;
4. Investment policy will be developed.

CONCLUSION

The data obtained and analyzed serves as the basis for the following management accounting planning function. Based on its principles, management accounting organizes full control over the enterprise, forms an internal audit system, compares current and planned indicators and takes measures to prevent significant deviations in the future. In any condition, it is very important for a business to organize management reporting with accurate and in-depth analysis in order to develop its financial activities and achieve economic efficiency. This will be a key factor in determining the future of the sector.

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MACROECONOMIC IMPORTANCE USE AND CONSUMPTION OF PHOSPHATE FERTILIZERS

Nozima Ashurovna Mamadaliyeva¹

ABSTRACT

This article discusses the essence of agrarian reform and the role of fruit and vegetable production in the country, particularly in the Fergana region, the specialization and transformation of fruit and vegetable production in the regional agro industrial system, the problems of developing the network services infrastructure, and the specialization of the regional districts. Per capita production of vegetables, melons, potatoes, fruits and grapes, depending on the needs of the population in the region, brought lots of information on the production increase, the economic analysis.

Keywords: *Specialization, concentration, agriculture, product realization, farming, economic, increasing, traditional, important, problems, independence.*

INTRODUCTION

Uzbekistan is a large consumer of phosphorus fertilizers, used for growing cotton, rice, wheat, fruit and berry, vegetable and other crops. In 2014, the agricultural needs of the republic in phosphorus fertilizers amounted to about 700 thousand tons. Chemical enterprises of the Republic of Uzbekistan producing phosphorous fertilizers have switched to the use of local phosphorite from the Central Kyzylkum.

It is known that one of the factors increasing soil fertility is the intensive use of mineral fertilizers and primarily phosphorus fertilizers (Spravochnik, 1998). This requires an increase in the volumes and growth rates of their production, rational and integrated use of all available resources from traditional and local sources. It is the intensive use of phosphorus fertilizers that ensures the high efficiency of agriculture. The use of phosphorus fertilizers is effective for the development of high-yield agriculture, especially in the cultivation of valuable crops such as cotton, grapes and melons. These crops form the basis of agriculture in Uzbekistan. It is well known that one of the factors for increasing soil fertility is the intensive use of mineral fertilizers and, first of all, phosphorus fertilizers (Spravochnik, 1998). This requires them to increase their production capacity and growth rates, and make rational and integrated use of all available resources from traditional and local sources. It is the intensive use of phosphorus fertilizers that ensures high agricultural productivity. The use of phosphorus fertilizers is especially effective for the development of highly productive agriculture in the production of valuable crops such as cotton, grapes, and melons. It is these crops that form the basis of Uzbekistan's agriculture.

With the increase in consumption of domestic raw materials, the amount of phosphorites imported each year will decrease, and the day will not be long when the republic will be fully supplied with its own raw materials and abandon imported raw materials.

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The main tasks of the association are:

- Comprehensive solution to the problems of efficient use of chemical production facilities;
- Sales of their products on the territory of the republic, to the countries of the commonwealth and for export;
- Development of mutually beneficial foreign economic, trade, economic and scientific and technical cooperation with foreign firms and countries of the commonwealth;
- Attraction of foreign firms to the construction of chemical industry facilities;
- Creation of joint ventures, associations, companies on the territory of the republic and abroad, attracting foreign partners for mutually beneficial cooperation;
- Development, design and implementation of new modern technologies and materials in the fields of mineral fertilizers production, catalysis, waste water treatment, dust gas cleaning, etc.

The main commercial products are mineral fertilizers, the production capacity of which is more than 2,800,000 tons of nitrogen fertilizers and about 1,100,000 tons of phosphorus.

In the conditions of strengthening and economic development and carrying out own state scientific and technical policy, which purpose - providing a place of Uzbekistan equal in rights among the developed states of the world is represented to one of the most important problems of the republic.

The urgent task for today is to complete the economy and stabilize it. It largely depends on how fully and effectively the production resources are used when available. Rational consumption of material resources implies the search for new approaches to the reproduction of material factors of production.

To solve this multifaceted problem, it is necessary to widely use local raw materials and power sources in postizheniya scientific and technical development; low-waste technologies: reducing the loss of waste and raw materials during their production, processing, transportation stages: saving mode and increasing efficiency.

MAIN PART

The source of raw materials plays defining role in production of the mineral fertilizers which application promotes an intensification of agrarian production, to providing the population with the food, and the industry - raw materials, "The problem of comprehension of original economic independence demands the cardinal solution of a food problem and in the republic".

In the development of this sector by traditional methods, it is impossible to meet the growing demand for agricultural products, it is necessary to introduce new methods of farming, increase soil fertility and crop yields.

In modern conditions of one of important problems in strengthening of independence of the Republic the increase or at least preservation of intensive agricultural production, in particular, providing big crops of grain crops and cotton raw is. In this regard it is necessary to increase essentially volume of production and applications of effective types of the fertilizers which are let out on ecologically more perfect technology.

At the same time, the study of the economic efficiency of the chemical industry and its sectors in transition, depending on the conditions of Uzbekistan, separate sectors.

RESULTS AND DISCUSSION

Scales and importance of work which should be carried out to areas of improvement and introduction of new technological processes in production of mineral fertilizers, a number of the important scientific and practical tasks demanding detailed justification and the decision puts forward before an economic science.

Technological possibilities of use of local phosphates raw materials for production of mineral fertilizers are revealed as a result of carrying out scientific researches and industrial tests in republic research establishments. However problems of transition to progressive technology of receiving different types of phosphorites fertilizers in Uzbekistan.

Developments of the chemical industry where problems of functioning its separate under branches and productions were given an insignificant place. Thus their source of raw materials in coordination with questions of improvement of technological processes is especially insufficiently estimated.

Further development of mineral fertilizer production is a decisive factor in limiting the resources of phosphate raw materials. The chemical industry of the republic should be developed in order to fully meet the demand for more advanced aspects of mineral fertilizers produced on the basis of extensive use of local raw materials.

The raw capacity of Uzbekistan gives the chance to increase systematically extraction and production of raw material resources for ensuring high rates of its economic development. Therefore development of the main directionsdevelopments of a source of raw materials of the republic on prospect, determination of rational volumes of production of phosphates raw materials on separate groups of the consumer represent an important economic task.

Thus, the above allows us to assume that the main tasks and directions of development of the chemical industry in the Republic of Uzbekistan are as follows.

1. Full satisfaction of the needs of the national economy in chemical production.
2. Increase of an export potential of the enterprises of concern, as the major factor predetermining development of branch.
3. Increase of an export potential of the enterprises of concern, as the major factor predetermining development of branch.
4. Reduction of dependence of branch from external deliveries of raw materials, by creation of own source of raw materials.
5. Growth of a technological level of branch at the expense of reconstruction and modernization of operating productions. Improvement of quality of let-out production, improvement of an ecological situation, a reshaping of separate productions.
6. Building of volumes of release of consumer goods, expansion of their range, fuller satisfaction them republic population.

EXPERIMENTAL RESULTS**Target parameters****Profitability of chemical enterprises for 2017-2021(in %)**

№	Company name	2017 (appraisal)	forecast			
			2018	2019	2020	2021
1.	JSC "Navaizot"*	0,3	5,5	6,2	6,9	9,3
2.	JSC"Maksam-Chirchik"	0,8	6,3	6,9	7,4	7,5
3.	JSC"Ferganazot"	-	5,9	6,4	7,0	7,6
4.	JSC"Ammophos-Maksam"	0,7	5,5	6,0	6,9	7,4
5.	JSC"Kukon superphosphate factory"	-	5,8	6,0	6,0	6,0
6.	UE "Dekhkanabad Potash Fertilizers Plant"*	10,6	10,9	11,2	11,9	12,2
7.	UE "Kungrad Soda Plant"*	14,1	14,2	16,2	16,0	16,8
8.	JSC"Zhizzakh-plastics"	10,6	10,8	11,1	11,3	11,4
9.	LLC "DSZ RTI" *	-	-	6,9	14,8	13,8
10.	JV LLC "Samarqand NPK" *	-	11,9	12,0	12,4	12,5

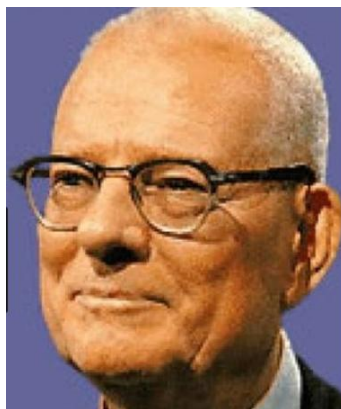
Target parameters**Development of the chemical industry for 2017 - 2021**

№	Indicators	Unit measurements	2017 (estimate)	Forecast *				Growthrate 2021 by2017 (%)
				2018	2019	2020	2021	
1.	Volume of production	billion soums.	2 527,2	3 045,0	3 637,3	4 797,8	5 428,8	в 2,4 p.
	growth rate (to the previous year)	%	101,0	119,8	121,7	137,7	117,7	x
2.	The volume of investment development	USD million	306,1	367,8	441,4	530,1	635,6	в 2,1 p.

3.	Export volume	USD million	176,2	185,6	244,9	362,1	467,4	в 2,7 p.
4.	Number of newly developed types of products	units	7	11	14	6	5	X
5.	Creation of new jobs	units	173	492	1 716	765	57	X
6.	Electricity demand	million kW. h	3 056,6	2 938,9	3 133,4	3 193,5	3 261,3	106,7
7.	Natural gas demand	millioncubicmetersm	2 470,3	2 554,2	2 713,2	2 907,4	3 128,4	126,6

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The most basic problem is that performance appraisals often don't accurately assess performance.

— W. Edwards Deming —

DETERMINATION OF THE PLACE OF NON-FINANCIAL COMPANIES IN FINANCIAL TOP-STRENGTH BY FINANCIAL AMOUNT AND BY RATING THEIR FINANCIAL CONDITION

Yusuf Usmonivich Sunnatov¹

ABSTRACT

This scientific article has been prepared under the guidance of Professor Sh. Shokhazamiy and proposes the technique on rating assessment of financial conditions of the company by the balance of non-financial company based on the generalized standard reference balance. Herewith, in reliance upon the quality of the accounting balance of non-financial companies, 4 quality gradations have been set to divide them into groups. Moreover, in order to know the ranking of financial condition of non-financial companies, the financial amount of non-financial companies, which is considered a new economic term, has been introduced and its calculation has been worked out. Depending on the financial amount of non-financial companies, the financial amount has been divided into 9 levels to determine their comparable total value.

Key words: *non-financial companies, balance sheet indicators, generalized conditional reference balance, reference values of relative coefficients, quality value of balance sheet, quality gradation, total value of non-financial companies.*

INTRODUCTION

The prior goal of non-financial companies is to strengthen their financial stability in a competitive market environment, as well as to be able to compete with their rivals and to develop a positive brand. If a non-financial company achieves this goal, its balance sheet assessment (rating) and its financial strength will improve. In addition, the indicators of the balance sheet, which include the results of the actions of each non-financial company in the pursuit of such a goal, are formulated in a certain order which is relative to each other. Financial analysts point out that in order for the balance sheet to be absolutely liquid, such correlations as PE (private equity) $>$ BC (borrowed capital) or PE (private capital) $>$ LTA (long-term assets) must be met. In this regard if such conditions are satisfied for a non-financial company, it is possible to make a conclusion that financial condition of this company will be stable, the rating assessment will be good, the market price will be high. If we rely on the phrase "money brings money", it will be very difficult for non-financial companies to work on the condition of $PE > BC$. Or if the $PE > LTA$ condition is met for the non-financial company's balance sheet to be absolutely liquid, then the balancing condition CA (current asset) $>$ BC (borrowed capital) must be appropriate as well. Thus it can be concluded that the smaller the non-financial company's BC (borrowed capital) and LTA (long-term assets), the better the overall performance of the non-financial company. However, we see that the majority of American non-financial companies (Apple,

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Microsoft, Walmart, ExxonMobil, Verizon and other companies) operating without the above conditions have high global ratings and high market prices.

We render the above situation as follows: as a non-financial company operates in a competitive market environment, playing a strategic game with its competitors, it will need potential investors and contract business partners. This means that a non-financial company will have to generate BC (borrowed capital) accurately in relation to other indicators of the balance sheet. Herewith, in order to raise the liquidity of its cash flow, a non-financial company will have to invest the residual funds in long-term investments, expand its activities and to develop modern know-how in future together with long-term assets in relation to other indicators of the accounting balance sheet. As a result of such efforts, a non-financial company will improve its balance sheet quality (rating) and expand its financial amount.

As non-financial companies have the aim to expand their financial amount gradually from year to year, and with this amount they are willing to find out among which companies they are and to know their financial position among these companies.

In reliance upon the statements specified above, under the scientific guidance of Professor Sh. Shokhazamiy, based on the generalized conditional reference balance, the technique to assessing the financial position rating of non-financial companies on the balance sheet and determining the financial amount, as well as identifying the position of competing non-financial companies in the financial strength within 9 levels have been developed and proposed for implementing in practice.

LITERATURE REVIEW

The problems related to the research topic, as well as its urgency have been studied in the research papers of such scholars as Birman G., Schmidt S., Van Horn D.K., Bernstein L.A., Stone D, Hatching K., Bocharov V.V., Alekseev P.D., Balabanov I.T., Kolass B., Sheremet A.D., S.I.Krilov, Bank V.R., Kostirko R.O., Shokhazamiy Sh.Sh., Alimov B.B. and others. In their research papers they have analyzed current methods and technique of determining rating assessment of financial condition of non-financial companies. Moreover, they have expressed their views on the rating assessment. Herewith, foreign scholars have used classical methods in financial analysis. For example, Kostirko R.O has noted that the lack of a single standard method for determining the rating of non-financial companies makes it very complicated to determine the rating assessment of non-financial companies¹.

Sheremet A.D. emphasizes that one of the non-financial companies, which differs from various other industries and possesses efficient performance can be studied as a reference standard. This does not impose any restrictions on the use of the evaluation method because the financial performance of different business entities is studied in terms of comparison².

Unlike other scholars, Sh. Shokhazamiy and B. Alimov were the first who developed the methods of complex retroprognostic analysis and complex forecasting of insurance balance sheets of insurance companies using the Lagrange interpolation formula in the form of functions.³

¹ Kostirko R.O. Financial analysis: Textbook. — X.: Factor, 2007. — 784 p (623 p).

² Sheremet A.D., Sayfulin R.S., Negashev E.V. Methods of financial analysis, 2000. — 208 p (184 p).

³ Shokhazamiy Sh.Sh., Alimov B.B. Methods for complex retro-forecast analysis and complex forecasting of the accounting balance in terms of the interests of investors of insurance companies. // "International Journal of Research in social sciences" Volume-9, Issue-7, July 2019. 652-672 p.

ANALYSIS AND RESULTS

In order to determine the balance sheet quality assessment (rating) of a non-financial company, with the aim of simplifying to apply the 12 coefficients, we define them accordingly as follows:

$$\frac{LTA}{CA} = x_1, \frac{CA}{LTA} = x_2, \frac{PE}{TL} = x_3, \frac{TL}{PE} = x_4, \frac{LTA}{PE} = x_5, \frac{PE}{LTA} = x_6,$$

$$\frac{CA}{TL} = x_7, \frac{TL}{CA} = x_8, \frac{LTA}{TL} = x_9, \frac{TL}{LTA} = x_{10}, \frac{CA}{PE} = x_{11}, \frac{PE}{CA} = x_{12}$$

(here LTA – long-term assets, CA – current assets, PE – private equity, TL – total liabilities)

The values of the defined minimum and maximum limits of these coefficients were as follows ¹:

$$0,1 \leq x_1 \leq 1, \quad 1 \leq x_2 \leq 10, \quad 1 \leq x_3 \leq 4, \quad 0,25 \leq x_4 \leq 1, \quad 0,5 \leq x_5 \leq 0,8, \quad 1,25 \leq x_6 \leq 2,$$

$$1 \leq x_7 \leq 2, \quad 0,5 \leq x_8 \leq 1, \quad 0,1 \leq x_9 \leq 2, \quad 0,5 \leq x_{10} \leq 10, \quad 0,5 \leq x_{11} \leq 8, \quad 0,13 \leq x_{12} \leq 2$$

The generalized conditional reference balance was as follows ².

Generalized conditional reference balance	
LTA (a) = 57y	PE (c) = 92y
CA (b) = 97y	TL (d) = 62y

The quantities of the x_{θ} standard determined on this conditional reference balance are as follows:

$$x_{\theta(1)} = 0,59, \quad x_{\theta(2)} = 1,7, \quad x_{\theta(3)} = 1,5, \quad x_{\theta(4)} = 0,67, \quad x_{\theta(5)} = 0,62, \quad x_{\theta(6)} = 1,61,$$

$$x_{\theta(7)} = 1,56, \quad x_{\theta(8)} = 0,64, \quad x_{\theta(9)} = 0,92, \quad x_{\theta(10)} = 1,09, \quad x_{\theta(11)} = 1,05, \quad x_{\theta(12)} = 0,95$$

Using the reference values and the minimum and maximum limits of all 12 coefficients determined above, the summarized criterion adopted in the following form is considered to be relevant:

$$F = \sum_{i=1}^{12} |x_{\theta(i)} - x_i|$$

Using the proposed summarized criterion, it is possible to assess the rating of any non-financial company, which reflects the quality of the financial position of any organizational and legal form and type of

¹Shokhazamiy Sh.Sh., Sunnatov Yu.U. A new approach to the analysis of financial and economic activities of firms on the basis of the balance sheet.// Scientific electronic journal “International Finance and Accounting” of Tashkent Financial №5, 2017, September. - p.1-20.

²Sunnatov Yu.U. Determination and application of reference values of transformation coefficients, expressed in the balance sheet indicators, to assess the financial condition of non-financial firms.// Scientific electronic journal “International Finance and Accounting” of Tashkent Financial Institute, №1, February 2020; Shokhazamiy Sh.Sh., Sunnatov Yu.U. Determining the financial condition of firms in their financial top-rankings according to their financial position rating based on their financial amount//“ Book of abstracts of the international scientific-practical conference “Current issues of active investments and social development”, Andijan State University named after Z.M. Babur, October 11, 2019.

business. For said purpose, in order to divide the amount of the criterion F into qualitative gradations, using the standard values and minimum and maximum limits of all 12 coefficients determined above, we calculate its minimum ($minF$) and maximum ($maxF$) values as follows:

$$\begin{aligned} minF &= |0,59 - 1| + |1,7 - 1| + |1,5 - 1| + |0,67 - 1| + |0,62 - 0,5| \\ &\quad + |1,61 - 1,25| + |1,56 - 2| + |0,64 - 0,5| + |0,92 - 0,1| + |1,09 - 0,5| \\ &\quad + |1,05 - 0,5| + |0,95 - 0,13| \\ &= 5,04 \end{aligned}$$

$$\begin{aligned} maxF &= |0,59 - 0,1| + |1,7 - 10| + |1,5 - 4| + |0,67 - 0,25| + |0,62 - 0,8| + \\ &\quad + |1,61 - 2| + |1,56 - 1| + |0,64 - 1| + |0,92 - 2| + |1,09 - 10| + |1,05 - 8| + \\ &\quad + |0,95 - 2| = 31,19 \end{aligned}$$

We divide the range of the calculated $minF$ and $maxF$ values into four qualitative gradations as described above, i.e.:

(0; 5,04] – excellent quality;

(5,04; 15,595] – good quality;

(15,595; 31,19] – satisfactory quality;

(31,19; ∞) – poor quality.

Thus, the quality of the financial position of a non-financial company is assessed by a rating using the summarized criterion F. This rating is determined in four gradation intervals.

In the schematic model of the above non-financial company's balance sheet indicators, which depends on the same unknown, it serves as a necessary indicator in determining the financial amount of the non-financial company. In this case financial amount will be equal to $k = \log_{10} y$.

In a competitive market environment, it is much more complicated for non-financial companies to operate according to the above schematic model. In such circumstances, the financial amount of the balance sheet items varies. That is, the above model shall look like this.

Generalized conditional reference balance	
LTA (a) = $57y_1$	PE (c) = $92y_3$
CA (b) = $97y_2$	TL (d) = $62y_4$

According to the above schematic model, the financial amount of a non-financial company is determined as follows.

$$\kappa = \log_{10} \frac{y_1 + y_2 + y_3 + y_4}{4}$$

In reliance upon the financial amount of non-financial companies, we divide the financial amount into several levels to determine their comparable total cost. These levels are as follows:

Level 1 is called «A». This level includes all non-financial companies with a financial amount more than 8 (i.e. $k > 8$).

Level 2 is called «B». This level includes all non-financial companies with a financial amount more than 7 and less than 8 (i.e. $7 < k \leq 8$).

Level 3 is called «C». This level includes all non-financial companies with a financial amount more than 6 and less than 7 (i.e. $6 < k \leq 7$).

Level 4 is called «D». This level includes all non-financial companies with a financial amount more than 5 and less than 6 (i.e. $5 < k \leq 6$).

Level 5 is called «E». This level includes all non-financial companies with a financial amount more than 4 and less than 5 (i.e. $4 < k \leq 5$).

Level 6 is called «F». This level includes all non-financial companies with a financial amount more than 3 and less than 4 (i.e. $3 < k \leq 4$).

Level 7 is called «G». This level includes all non-financial companies with a financial amount more than 2 and less than 3 (i.e. $2 < k \leq 3$).

Level 8 is called «H». This level includes all non-financial companies with a financial amount more than 1 and less than 2 (i.e. $1 < k \leq 2$).

Level 9 is called «I». This level includes all non-financial companies with a financial amount more than 0 and less than 1 (i.e. $0 < k \leq 1$).

Creating a ranking for non-financial companies by dividing them into intermediate gradations of one unit length makes it easier for us to draw conclusions for these non-financial companies. However, since there are unlimited numbers in a single unit range, it is very unlikely that the financial amount of two or more non-financial companies will be equal to the same number. We use an overall estimate to determine robust position of non-financial companies that belong to each of these levels. This assessment is determined as follows:

$$n = \frac{\text{financial amount of non – financial companies}}{\text{rating assessment of non – financial companies}}$$

The higher this overall assessment, the more stable the company's financial position, as well as the higher its position in the top-strength.

Financial statements of each company, which role in financial strength is comparable, should be brought to the same financial amount (thousand, million or billion UZS or in the currency, such as the USD or the Euro).

Practical application of the results, specified above, can be seen in the example of non-financial companies in the F, G and H levels of the United States.

Table 1 : Determining financial top-strength rating of American non-financial companies related to “F” level (i.e. $3 < k \leq 4$) in terms of financial amount¹

Coefficients	Reference quantities	Apple		Alphabet		Exxonmobil		Microsoft		Verizon		Chevron		UnitedHealth Group		Walmart	
		2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference
LTA/CA	0,59	1,78	1,19	0,72	0,13	6,22	5,63	0,53	0,06	6,65	6,06	6,46	5,87	2,93	2,34	2,54	1,95
CA/LTA	1,7	0,56	1,14	1,40	0,30	0,16	1,54	1,90	0,20	0,15	1,55	0,15	1,55	0,34	1,36	0,39	1,31
LTA/PE	0,62	2,19	1,57	0,55	0,07	1,50	0,88	1,08	0,46	4,21	3,59	1,41	0,79	2,09	1,47	1,98	1,36
PE/LTA	1,61	0,46	1,15	1,83	0,22	0,67	0,94	0,93	0,68	0,24	1,37	0,71	0,90	0,48	1,13	0,51	1,10
LTA/TL	0,92	0,91	0,01	1,76	0,84	2,02	1,10	0,51	0,41	1,10	0,18	2,24	1,32	1,16	0,24	1,13	0,21
TL/LTA	1,09	1,10	0,01	0,57	0,52	0,50	0,59	1,97	0,88	0,91	0,18	0,45	0,64	0,86	0,23	0,89	0,20
CA/PE	1,05	1,23	0,18	0,76	0,29	0,24	0,81	2,05	1,00	0,63	0,42	0,22	0,83	0,71	0,34	0,78	0,27
PE/CA	0,95	0,82	0,13	1,31	0,36	4,14	3,19	0,49	0,46	1,58	0,63	4,57	3,62	1,40	0,45	1,29	0,34
CA/TL	1,56	0,51	1,05	2,46	0,90	0,32	1,24	0,96	0,60	0,16	1,40	0,35	1,21	0,40	1,16	0,44	1,12

¹The data in the table are based on the information on the website <https://www.macrotrends.net/>.

TL/ CA	0,64	1,97	1,33	0,41	0,23	3,08	2,44	1,04	0,40	6,07	5,43	2,89	2,25	2,53	1,89	2,26	1,62
PE/ TL	1,5	0,41	1,09	3,22	1,72	1,34	0,16	0,47	1,03	0,26	1,24	1,58	0,08	0,55	0,95	0,57	0,93
TL/P E	0,67	2,41	1,74	0,31	0,36	0,74	0,07	2,13	1,46	3,84	3,17	0,63	0,04	1,80	1,13	1,75	1,08
Rating assessment t			10,6 0		5,94		18,5 9		7,65		25,2 0		19,1 1		12,7 0		11,4 9
Financial amount	3,43		3,17		3,41		3,25		3,32		3,27		3,06		3,21		
Overall assessment t	0,32		0,53		0,18		0,42		0,13		0,17		0,24		0,28		
Ranking in terms of financial top- strength	3		1		6		2		8		7		5		4		

The table(1) shows, that “Alphabet” company referred to level “F” (i.e. $3 < k \leq 4$) is the highest-ranked in the financial top-strength of non-financial companies of the USA in terms of financial amount. “Microsoft” is ranked the second. “Apple”, “Walmart”, “UnitedHealth Group”, “ExxonMobil”, “Chevron” and “Verizon” are ranked the third, fourth, fifth, sixth, seventh and eighth respectively.

Table 2 : Determining financial top-strength rating of American non-financial companies related to “G” level (i.e. $2 < k \leq 3$) in terms of financial amount¹

Coefficients	Reference quantities	Occidental Petroleum		Intel		Tesla		Pepsi		Coca - cola		AmerisourceBergen		United Airlines Holdings Inc		International Paper	
		2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference
LT/CA	0,59	3,42	2,83	3,45	2,86	2,58	1,99	2,55	1,96	2,34	1,75	0,45	0,14	5,91	5,32	3,10	2,51
CA/LTA	1,7	0,29	1,41	0,29	1,41	0,39	1,31	0,39	1,31	0,43	1,27	2,20	0,50	0,17	1,53	0,32	1,38
LTA/PE	0,62	1,59	0,97	1,33	0,71	3,72	3,10	3,82	3,20	3,06	2,44	3,86	3,24	4,18	3,56	3,92	3,30
PE/LTA	1,61	0,63	0,98	0,75	0,86	0,27	1,34	0,26	1,35	0,33	1,28	0,26	1,35	0,24	1,37	0,26	1,35
LTA/TL	0,92	1,51	0,59	1,86	0,94	0,89	0,03	0,88	0,04	0,91	0,01	0,34	0,58	1,08	0,16	0,94	0,02
TL/LTA	1,09	0,66	0,43	0,54	0,55	1,12	0,03	1,13	0,04	1,10	0,01	2,94	1,85	0,93	0,16	1,07	0,02
CA/PE	1,05	0,47	0,58	0,39	0,66	1,44	0,39	1,50	0,45	1,31	0,26	8,49	7,44	0,71	0,34	1,27	0,22
PE/CA	0,95	2,15	1,20	2,59	1,64	0,69	0,26	0,67	0,28	0,76	0,19	0,12	0,83	1,42	0,47	0,79	0,16
CA/TL	1,56	0,44	1,12	0,54	1,02	0,35	1,21	0,35	1,21	0,39	1,17	0,75	0,81	0,18	1,38	0,30	1,26
TL/CA	0,64	2,27	1,63	1,86	1,22	2,89	2,25	2,88	2,24	2,57	1,93	1,34	0,70	5,50	4,86	3,31	2,67
PE/TL	1,5	0,95	0,55	1,40	0,10	0,24	1,26	0,23	1,27	0,30	1,20	0,09	1,41	0,26	1,24	0,24	1,26
TL/PE	0,67	1,06	0,39	0,72	0,05	4,17	3,50	4,32	3,65	3,37	2,70	11,35	10,68	3,88	3,21	4,18	3,51
Rating assessment			12,66		12,01		16,67		16,99		14,21		29,54		23,59		17,65
Financial amount		2,51		2,97		2,36		2,77		2,80		2,43		2,59		2,42	
Overall assessment		0,20		0,25		0,14		0,16		0,20		0,08		0,11		0,14	
Ranking in terms of financial top-strength		3		1		6		4		2		8		7		5	

¹The data in the table are based on the information on the website <https://www.macrotrends.net/>.

It is obvious from the table(2), that “Intel” company referred to level “G” level (i.e. $2 < k \leq 3$) is the highest-ranked in the financial top-strength of non-financial American companies in terms of financial amount. “Coca-cola” company is ranked the second. “Occidental Petroleum”, “Pepsi”, “International Paper”, “Tesla”, “United Airlines Holdings Inc” and “AmerisourceBergen” are ranked the third, fourth, fifth, sixth, seventh and eighth respectively.

Table 3 : Determining financial top-strength rating of American non-financial companies related to “H” level (i.e. $1 < k \leq 2$) in terms of financial amount¹

Coefficient	Reference quantities	JetBlue		Huntsman corporation		Thor Industries		Motorola Solutions		Spirit Aerosystems		Regeneron Pharmaceuticals		SpartanNash		Dana	
		2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference	2018 year	Absolute difference
LTA/CA	0,59	6,90	6,31	1,69	1,10	1,12	0,53	1,20	0,61	1,00	0,41	0,82	0,23	0,97	0,38	1,04	0,45
CA/LTA	1,7	0,15	1,55	0,59	1,11	0,89	0,81	0,83	0,87	1,00	0,70	1,22	0,48	1,03	0,67	0,97	0,73
LTA/PE	0,62	2,04	1,42	1,82	1,20	0,76	0,14	-4,03	4,65	2,29	1,67	0,60	0,02	1,36	0,74	2,09	1,47
PE/LTA	1,61	0,49	1,12	0,55	1,06	1,32	0,29	-0,25	1,86	0,44	1,17	1,66	0,05	0,74	0,87	0,48	1,13
LTA/TL	0,92	1,53	0,61	0,96	0,04	1,74	0,82	0,48	0,44	0,64	0,28	1,78	0,86	0,77	0,15	0,67	0,25
TL/LTA	1,09	0,66	0,43	1,04	0,05	0,57	0,52	2,08	0,99	1,57	0,48	0,56	0,53	1,29	0,20	1,49	0,40
CA/PE	1,05	0,30	0,75	1,08	0,03	0,68	0,37	-3,35	4,40	2,30	1,25	0,74	0,31	1,40	0,35	2,02	0,97
PE/CA	0,95	3,38	2,43	0,93	0,02	1,48	0,53	-0,30	1,25	0,43	0,52	1,36	0,41	0,72	0,23	0,50	0,45
CA/TL	1,56	0,22	1,34	0,57	0,99	1,56	0,00	0,40	1,16	0,64	0,92	2,17	0,61	0,80	0,76	0,65	0,91
TL/CA	0,64	4,52	3,88	1,76	1,12	0,64	0,00	2,50	1,86	1,56	0,92	0,46	0,18	1,25	0,61	1,54	0,90
PE/TL	1,5	0,75	0,75	0,53	0,97	2,30	0,80	-0,12	1,62	0,28	1,22	2,94	1,44	0,57	0,93	0,32	1,18
TL/PE	0,67	1,34	0,67	1,89	1,22	0,43	0,24	-8,37	9,04	3,59	2,92	0,34	0,33	1,75	1,08	3,10	2,43
Rating assessment			21,26		8,90		5,04		28,75		12,46		5,43		6,98		11,27

¹The data in the table are based on the information on the website <https://www.macrotrends.net/>.

Financial amount	1,92	1,76	1,27	1,86	1,61	1,88	1,14	1,63
Overall assessment	0,09	0,20	0,25	0,06	0,13	0,35	0,16	0,14
Ranking in terms of financial top-strength	7	3	2	8	6	1	4	5

It is obvious from the table(3), that “Regeneron Pharmaceuticals” company referred to level “H” level (i.e. $1 < k \leq 2$) is the highest-ranked in the financial top-strength of non-financial American companies in terms of financial amount. “Thor Industries” company is ranked the second. “Huntsman corporation”, “SpartanNash”, “Dana”, “Spirit Aerosystems”, “JetBlue”, “Motorola Solutions” are ranked the third, fourth, fifth, sixth, seventh and eighth respectively

CONCLUSIONS AND PROPOSALS

Currently among the rating assessment methods widely applied in practice, rating assessment of financial condition of the certain company is basically focused on the determination of the financial position for the current period. As far as we know, in a competitive market environment, the external factors that affect the financial condition of non-financial companies are numerous and varied. Therefore, the rating of any non-financial company’s financial position, which is analyzed separately for each financial year, may not always yield a positive result. If the financial analyst modifies current financial position rating of this non-financial company with the account of the financial results of the previous period, then the human factor will be involved. Using the method proposed in this article, it is possible to assess the quality of the balance sheet of non-financial companies (rating assessment) without the involving human factors.

It should be noted, that a new economic term - financial amount of a non-financial company – has been introduced, its calculation methodology has been developed, and companies have been classified by their financial amount in this article.

A general valuation methodology has been developed that identifies the top strengths of non-financial companies suitable for each class.

Kostirko R.O. has noted, that due to the lack of a unified standard method for determining the rating assessment of non-financial companies, it is very complicated to determine the rating assessment of non-financial companies. Herewith, the financial condition of non-financial companies, which is currently widely used in practice, requires formation of a comprehensive database of uncertainties to determine the comparable rating assessment using the methods of determining the rating assessment. Taking into consideration such problems such as the lack of a single rating assessment in determining financial condition of non-financial companies and the complexity of forming a comprehensive database in determining the comparable price, the proposed method can be considered and accepted as standard reference method.

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ADVANTAGES AND DISADVANTAGES OF INVESTMENT PROJECT RISK ASSESSMENT METHODS AND WAYS OF THEIR USE

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Mirzaev Bobur Soyibjonovich³

ABSTRACT

The article presents the risks of speculation ventures and their event, the definition of risk by financial specialists. The strategies of risk evaluation within the execution of speculations, a comparative analysis of strategies for surveying the effect of dangers on the viability of the speculation extend is displayed. Based on results about of the examination, the preferences and drawbacks of the strategies of risk evaluation of the venture extend were recognized, and suggestions were created to address their shortcomings.

Keywords: *investment project, uncertainty, efficiency, risk, risk level, quantitative assessment, indicator.*

INTRODUCTION

Extensive reforms pointed at liberalizing the economy in later a long time have driven to an increment in speculation streams into the country's economy. This driven to an increment within the share of settled capital venture in GDP from 21.1% in 2016 to 30.5% in 2019. As a result, within the medium term, it will serve as a premise for growing the country's generation capacity and ensuring economical financial growth. Assessing the dangers of a venture, is important in expanding the proficiency of pulled in ventures and the competitiveness of the production offices made because of the usage of investment projects?

Assessing the risks of an investment extend, forming an understanding of the vulnerabilities confronting the financial specialist, surveying the anticipated misfortunes as a result of the risk circumstance, the speculator will be able to broaden dangers and ensure trade sustainability. Investment relations are continually changing and not similar to each other. At the same time, the financing of speculation projects are carried out beneath conditions of steady instability and risk. For investors, the quality and reliability of the appraisal of the possibility study of the venture and the affectability of the most parameters of the venture to dangers are vital.

THE MAIN FINDINGS AND RESULTS

Analysis of the relevant literature

In her research, Papova A.Yu suggested ways to overcome the shortcomings of financing investment projects based on comparative analysis of risks and methods of risk assessment of investment projects [1, 2006].

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In his research Frankevich J.A., and Gararina A.Yu., they explored the problems of investment project risk analysis and ways to reduce the impact of risks. In particular, in assessing the dangers of the investment extend, changes in financial conditions, changes within the factors influencing the speculation venture is analyzed. At the same time, he made recommendations on chance relief by classifying dangers and giving methods for their evaluation [2, 2018].

The study conducted by R.B. Sultanov analyzed the theoretical and methodological angles of chance administration in financing venture ventures, as well as the needs associated with chance administration in keeping money risk management that happen nowadays within the financing of investment projects internationally and broadly [3, 2018].

A.S. Ashurov's research uncovers the development of economic advancement of mechanical undertakings in a risk environment, systemic issues that influence the development of mechanical enterprises in a risk environment. The identified issues have created proposition and proposals on the heading of advancement of enterprises within the setting of risk and uncertainty [4, 2020].

In the research of Sh.S.Nasretidinova, B.S.Mirzaev, D.A.Djalilov studied the importance of the impact of state support for investment projects on the volume of investment in the country, the reduction of the impact of external factors on investment projects [5, 2018].

There are distinctive views on the concept of risk in financial theory, which made strides beside the advancement of society (Table 1). By summarizing the views of economists on the dangers of an investment project, chance could be considered as the choice of elective choices that lead to positive and negative results for the speculation extend, by evaluating the probability of event of an event related to the risk situation.

Table 1:Comments and definitions given by economists on the concept of risk

Name of economic school and scientists	Definition of the concept of economic risk
Scientists of classical theory	Risk is the occurrence of losses as a result of a decision. In this case, the risk is understood as the damage caused by the implementation of the decision
Scientists of neoclassical theory	The behavior of the entrepreneur is based on the limit of nafli. In this case, when there are two conceivable outcomes, for case, in a capital venture that gives the same anticipated return, the entrepreneur favors a benefit with a moo instability. In case there are not many choices of the same sort, it is incomprehensible to liken the expected benefit and its contrast, in which case the law of large numbers does not apply.

Sevruk T.V.	Any legal entity, including the financial sector, portrays it as a descriptive include of the situation, comprising of instability approximately the result and possible negative results within the occasion of failure.
Khokhlov N.V.	Risk is an event or a group of accidental events that damage an object with risk
Kaufman A., Xil Aluxa X.	Risk is the uncertainty associated with decision making, and its occurrence occurs over time
L.N. Tepman	Considered a narrow-minded concept, it is one of the sorts of dangers associated with the political, social and economic exercises of individuals to minimize the presence of its results and openings, which are associated with probability

It can be seen that risk is expressed by identifying the occurrence of this uncertainty situation and assessing its occurrence and impact (Figure 1).

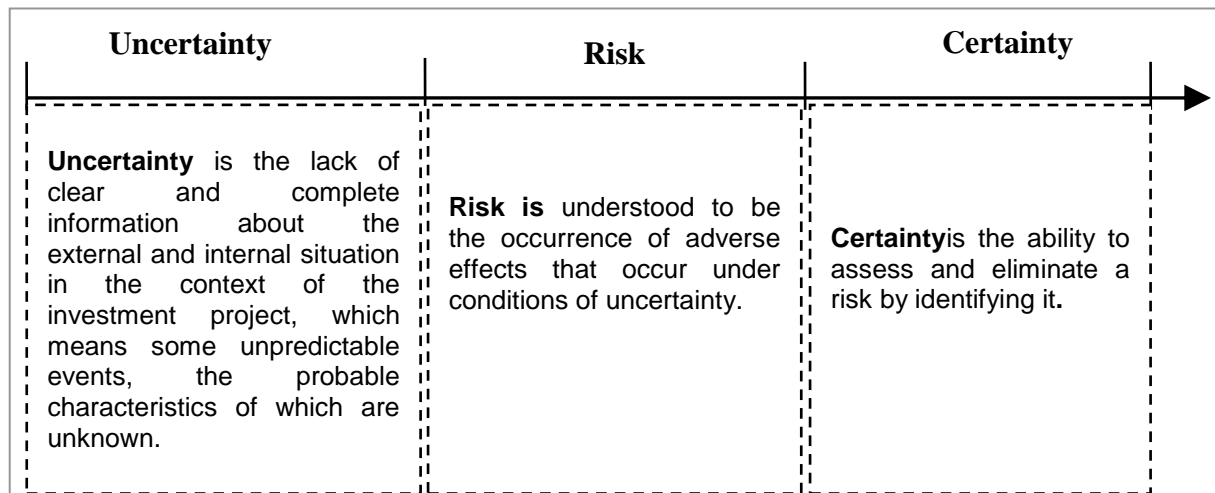


Figure 1. Risk formation and stages of its assessment [7]

The assessment of risks affecting the investment project consists of four stages: identification and listing of risks, classification of risks, analysis of risks according to the probability of occurrence, assessment of the impact of risks on the profitability of the investment project.

The list of risks that may influence the ongoing project is designed by the project implementer based on his experience and by conducting an overview among experts. They more often than not take under consideration cost increases, the level of macroeconomic solidness within the nation, the instability of costs for products and services on the world advertise changes in supply and demand, natural risks and political risks.

The risks shaped are assembled concurring to the sort and occurrence. The channels of gathered risks influencing the venture prepare are distinguished and the effect of the event of a risk circumstance on the project is assessed. However, in deciding the channels of chance exposure in hypothetical and viable terms, it can be determined, to begin with, by conducting overviews among specialists and pros, or by implies of counteraction analysis tools of statistics and econometrics.

Determining the likelihood of an event of dangers can be done through likelihood theory tools (Table 2) and expert evaluation. These two strategies have nearly the same result in most cases, but the limited number of experiments leads to an increase within the blunder of the result.

Table 2 : Statistical methods for assessing the probability of occurrence of risks [6]

Statistical methods of risk assessment	Calculation formula	Ways of application
Relative frequency	$\omega = \frac{m}{n}$	Where: ω -relative frequency; m is the number of events in which the risk condition occurred; n is the number of observations. This method is effective when there is extensive and sufficiently reliable information about the history of the object being evaluated. Determines the probability that a risk will occur.
Dispersion	$\sigma^2 = \sum_i^n \frac{(x_i - \bar{x})^2}{n}$	In this case: σ^2 - dispersion x_i - income \bar{x} - average income n is the number of observations The higher this figure, the higher the return on investment and the higher the level of risk. If this indicator is low, it means that the rate of return and the level of risk are low
Mathematical expectation	$\bar{x} = \sum_{i=1}^n x_i p_i$	Where: \bar{x} -mathematical expectation; x_i -recoverable income; p_i - is the probability of a possible gain. Determines the average expected return on investment
Mean square deviation	$\sigma = \sqrt{\sum_i^n \frac{(x_i - \bar{x})^2}{n}}$	Where: σ is the standard deviation; x_i -gain \bar{x} -average income n - is the number of observations

Statistical methods of risk assessment	Calculation formula	Ways of application
		A higher rate means that the return on investment is high, but the risk is also high. if this indicator is low, it means that the rate of return and the level of risk are low
Coefficient of variation	$V = \frac{\sigma_x}{\bar{x}} * 100$	V-coefficient of variation; σ_x - standard deviation; \bar{x} - arithmetic mean. This indicator shows what percentage of the investment project is at risk.
3 sigma rule	$\bar{x} \pm 3\sigma$	Bunda; \bar{x} - standard deviation; σ -standard quadratic deviation. In doing so, the investment assesses the project's revenue range. (sensitivity of the project is determined)

The over statistical methods evaluate the dangers of the speculation extend very different directions. Relative frequency is effective in drawing in investment to existing ventures. Typically, since it decides the probability of event of dangers based on pre-current circumstances. This indicator is viable in surveying the circumstance with the dangers that occur in generation, that's, it answers the question of how much of the overall yield is of poor quality.

Mathematical expectation is a generalized characteristic of a particular pointer of a venture project, and the result of this marker is not sufficient to form a positive choice when this pointer is calculated on the premise of only one project. This marker is viable for comparative analysis.

The coefficient of variation is utilized within the analysis of the comes about and costs of the venture extend. The higher this coefficient, the higher the vibration level. If the wavering up to 10% is frail and the risk level is moo, it has a direct wavering within the extend of 10-25% and the level is considered a riskous normal, if it is higher than 25% there is a tall level of wavering and the risk level is tall.

Dispersion and standard deviation Fluctuation of the anticipated esteem of the execution indicator in the usage of the investment extend decides the risky state of the venture. This wavering is decided by the degree of contrast of values other than the cruel. The larger the change, the higher the risk level of the project. This type of marker is successful in deciding the level of risk of a few investment projects.

In addition to assessing the risk level of the project, the measurable methods specified over give an opportunity to survey the risk level of the undertaking. This strategy requires timely information, which could be an impediment of this method. In addition to quantitative strategies of speculation venture chance assessment, there are subjective strategies, and the overview method incorporates strategies such as dolphin, survey, master assessment. They conduct an overview on the dangers that may influence a specific venture extend within the future and the probability of their event. The drawback of this strategy is that respondents react based on their possess commonsense issues, which may result in subjectivity in chance formation and probability assessment.

The next step in assessing the probability of event of dangers is to survey its effect on the performance of the venture project. There are a number of methods for evaluating the degree of effect of dangers on project performance markers (Figure 2), which can be conditionally separated into 3 bunches: index-based methods, methods pointed at evaluating the systemic impact of risks, rating strategies (Figure 1).

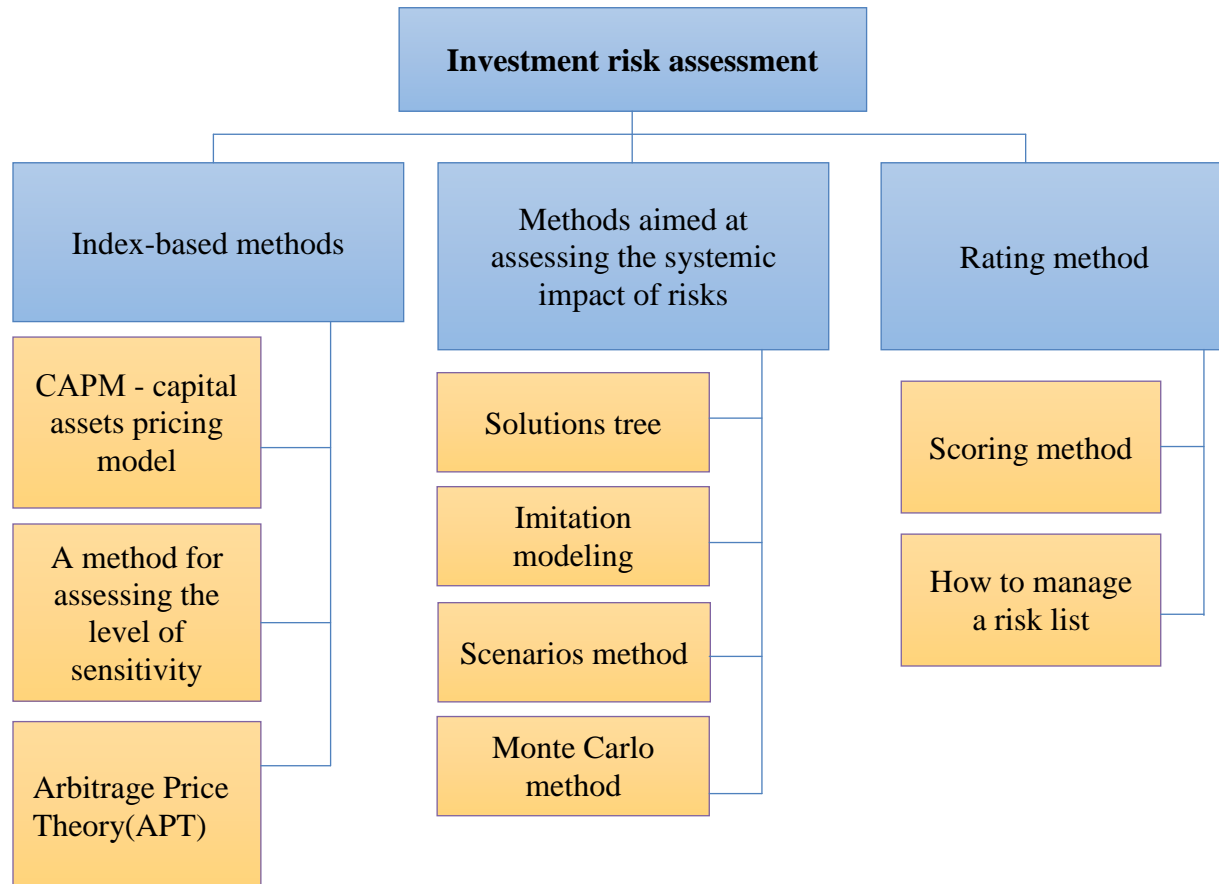


Figure 2. A group of methods for assessing investment risks

CAPM - capital assets pricing model

This model is usually used in the implementation of an investment project with its own capital. It has the following appearance:

$$D = R_f + \beta \cdot (R_m + R_f)$$

Here, R_f - the norm of risk-free profitability, R_m - rate of return on capital investment, β - level of risk

Based on the model, the profitability of the project is decided by the nature of the industry. The intrigued rate on government securities (the rate of treasury obligation securities in the United States, the rate of Russia-30 Eurobonds in Russia) is used as a measure of risk-free productivity.

In this model, the coefficient β , which represents the investment risk, can be determined based on available data by constructing a linear regression equation, probability theory tools and the query method.

Sensitivity level method (*What if?*)

The sensitivity level method is assessed by assessing the effect of the dangers influencing the venture extend on cash streams and costs. It decides how changes within the factors influencing the venture amid the usage of the investment extend will influence the performance of the project, with the support of proficiency markers (NPV, IRR, PI) as a result calculate.

Typically, the impact of risks is determined by the coefficient of elasticity between the indicators, which represents the level of risk to the net present value (NPV) of investment projects.

$$E = \frac{(NPV_2 - NPV_1) / NPV_1}{(X_2 - X_1) / X_1}$$

Here, X_1 – the position in cash receipts or expenditures, X_2 – the position in cash receipts or expenditures in NPV_1

A matrix representing the degree of elasticity between the variables, extend efficiency and chance markers is developed. Indicators are gathered concurring to their tall level of flexibility, and alternatives for overseeing tall levels of sensitivity are created. The higher the coefficient of flexibility, the higher the affectability of the extend. Sensitivity investigation permits to decide the parameters of the variables influencing the extend, as well as to determine their basic values.

Sensitivity analysis may be a subjective strategy, one of the most drawbacks of which is the assumption that the alter of variables remains within the alter of one calculate, it is known that economic occasions and forms are interrelated. For this reason, it can occasionally be utilized in hone.

The disadvantage of this strategy is that in modeling the change of components, it is conceivable to overcome this shortcoming by creating econometric models within the frame of a framework of equations in which the alter of components happens as a result of as it were one figure alter. Based on this model, it is conceivable to decide the impact of synchronous alter of one calculate on other variables. Creating econometric models within the frame of a framework of conditions requires a huge number of result components and variables influencing it, as well as a huge number of perceptions.

APT -Arbitrage Pricing Theory

Within the economic literature, this method is utilized within the arrangement of the investment portfolio. Within the arrangement of cost arbitrage, the most ideal speculation portfolio is shaped by expressing that the benefit of venture ventures depends on a few factors. Determining the impact of variables on the investment venture is expressed by the taking after relapse condition:

$$r_i = a_i + b_{1i} \cdot F_1 + b_{2i} \cdot F_2 + \dots + b_{ki} \cdot F_k + \varepsilon_i$$

Here, r_i - i - is the profitability of the investment project, $i=1,2,\dots,n$, F_k - k - is the amount of factor, b_{ki} - i - is the degree of sensitivity to the investment project, ε_i - the effect of random factors in the model.

The formation of the arbitration portfolio based on the following conditions:

First, the formed portfolio does not require additional investment. This condition can be expressed as follows:

$$\sum_{i=1}^n X_i = 0$$

Here, X_i - i - is the share of assets in the total investment portfolio (Purchase of $X_i > 0$ assets, sale of $X_i < 0$ assets).

Second, the arbitrage portfolio is not sensitive to any factor, so the risk level is zero.

$$\sum_{i=1}^n X_i b_{ki} = 0, k=1,2,\dots, m$$

This method can be used to assess the level of affectability of outside variables in the choice of investment projects and to distinguish a high-yield portfolio.

As can be seen from the over, index-based methods are helpful to utilize, but the impediment of this demonstrate is that the risk burden is evenly dispersed over the entire venture period. Concurring to numerous financial specialists, investment dangers are characterized by tall levels at the initial stage of the extend and low levels at the final organize. These strategies do not meet this condition.

Decision tree

This method is usually used in chance examination when there are particular choices for project implementation. It is used to recognize future development scenarios, particularly in cases where decisions made at $t=n$ are profoundly dependent on past decisions.

The choice tree has the appearance of complex charts, the crests of which speak to the risk circumstances, the different occasions (choices, results, operations) that can happen in a chart circular segment situation. Each circular segment of the chart can be allotted numerical properties (sum of payment, likelihood of its implementation, etc.). Using this method includes the following steps:

1. The problem that is relevant for each time and all possible action options to prevent it in the future are identified.
2. At the peak of the summer solutions are put the problems that may arise.
3. Quantitative and probability estimates of each outgoing arc are taken into account.
4. Based on the values of all edges and arcs, calculate the possible value of the NPV criterion (or IRR, PI).
5. The probable distribution of the results is analyzed.

This method is used to determine future development scenarios of an occasion that depend on already made choices.

Imitation modeling

In the analysis of dangers of venture projects, information such as deals volume, costs, costs are forecasted as a basis for tests.

In recreation modeling, the event of dangers surveys the effect of a venture on performance pointers by communicating the reliance of a few components on execution pointers.

In common, imitation modeling can be partitioned into the following stages.

1. Express the relationship between endogenous and exogenous factors within the frame of mathematical conditions or inequalities.
2. Decide the laws of probability dissemination for the main parameters of the model.
3. Calculation of the impact of endogenous and exogenous factors. 4. Implement multivariate expectations by analyzing results about in choice making and applying measurable devices to the show results.

The practical application of this method can be used in making ideal decisions within the execution of venture ventures in conditions of uncertainty and risk.

Scenarios method

Within the scenario method, the investment extend assesses the effect of the target pointer on the figure result of the components affecting it. This method is near to the strategy of arbitration appraisal and affectability, the specificity of this method is the ability to create different options for changes within the result indicator and to measure the exogenous variables for each choice. The situation strategy is actualized in the taking after steps:

1. A few choices for changing targets are created (critical, acceptable, and optimistic).
2. The likelihood of event of each alter option is determined.
3. The NPV basis (or IRR, PI) for each variant is also its deviation from the cruel (as a rule by the three sigma method).
4. Analyze the plausible dispersion of the results. A project with the littlest standard deviation (s) and coefficient of variety (CV) is considered to have a moo chance level.

This strategy permits you to have a clear idea of the diverse

Table 4 :Methods of assessing investment risks and their advantages and disadvantages [6]

Evaluation method	Advantage	Disadvantage
Adjustment of discount rate	Simplicity and comprehensibility of the account	1) Lack of information on the level of risk; 2) additional increase for the level of risk of changes in project performance 3) the increase in risk is in the form of a constant coefficient over time, and usually the level of risk decreases at the end of the project in the implementation of investment projects;
Sensitivity analysis	This method is used to calculate how the resulting indicator changes if the endogenous factor changes. Hence, it is called "What if	This method evaluates the effect of changes in one parameter on the final indicator and understands that the other indicators do not change. In

Evaluation method	Advantage	Disadvantage
	analysis".	practice, all economic indicators are interrelated.
Scenarios method	This method allows you to evaluate the dangers which will occur amid the execution of the project on the premise of different scenarios and their affect on the project.	The disadvantage of this method is that the project developer is mindful of the anticipated dangers and the probability of their occurrence. In hone, in any case, it may be a troublesome prepare to decide the probability of potential risks.
Solutions tree	Used to mitigate risks based on available statistics.	The disadvantage of this method is that the successful usage of each stage of the extend is determined by the venture manager and does not take under consideration the competitive advantage of competitors.
Simulation modeling	Use of quantitative risk assessment.	The main problem of simulation modeling is that it isn't possible to calculate the effectiveness of the extend taking under consideration the risks, indeed after the calculation of the dangers. It isn't possible to survey the benefit of a extend to compensate for the dangers that can be expected through the model.
Monte Carlo method	The advantage of this method is the ability to decide the level of chance of the speculation project within the setting of precariousness and tall vulnerability of information	The main difficulty in using the Monte Carlo strategy is to choose the distribution that best suits each market factor and assess its parameters. Besides, the theoretical probability distribution may not be true.

Evaluation method	Advantage	Disadvantage
Scoring method	The main difficulty in using the Monte Carlo method is to choose the distribution that best suits each market factor and assess its parameters. Besides, the theoretical probability distribution may not be true.	Lack of a mechanism to determine the probability of occurrence of each factor.
The method of listing the risks that are expected to occur	This method saves time by controlling clearly defined risks.	This method helps the company analyze past mistakes and not repeat them. However, this method can only be used in addition to others. The complexity of this method is to form such a list and interpret it correctly.

CONCLUSION AND RECOMMENDATIONS

Given the over, there is no single generalized strategy of assessing the dangers of an investment venture. The over strategies survey the risks based on the nature of the dangers that happen at each stage of the usage of speculation ventures. Each of these strategies has its drawbacks and advantages.

Quantitative strategies of risk appraisal of a venture extend recognize all risk situations and all sorts of dangers that influence the speculation extend. However, the esteem of this strategy can now and then be biased and uncertain.

Quantitative strategies measure the chance level of a project and evaluate the extent to which the risks affect the project. The most drawbacks of these methods are the need for long-term data on indicators; to assume one variable within the absence of another;

Given the deficiencies of these strategies, the following will increase the effectiveness of risk appraisal of venture ventures:

- Indicators of the level of risk of investments primarily survey the level of risk of the venture and the enterprise based on the information of the previous period, to determine the level of risk because of different alternative figures for consequent periods of the venture.
- Survey the effect of outside factors by evaluating the quality pointers that influence the dangers of the investment venture;
- Quantitative evaluation of the effect of changes in one calculate on changes in other variables through the advancement of econometric models in the frame of a system of interrelated conditions within the modeling of components influencing the speculation venture in the following strategies.

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THE ROLE OF INFORMATION LOGISTICS IN TOURISM

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ABSTRACT

This article discusses the role of information logistics in tourism. In the context of digitalization in the world community, global changes are taking place due to the penetration of information technology in all spheres of life. In this regard, great attention should be paid to tourism as a sphere of economy, activity and employment of the population. There are two main trends in the development of world tourism today:

1) The creation of large tourism concerns, which concentrate all stages of production and marketing of tourism services;

2) Development of electronic commerce via the Internet. The need to promptly meet the needs of customers who can choose the most appropriate option using the Internet requires the active use of advanced information technologies in the work of travel agencies. New information resources entering the tourism business will change management technologies help to answer any questions on the state of affairs and make quick decisions.

Keywords: *Tourism, logistics, Information technology, travel agency, Global booking systems, tickets, Master-tour module, Master Charter module, Master Statistics module.*

Introduction

Logistics plays a critical role in the efficient organization and management of tourism. In the logistics industry, where the main actors operate: consumer, travel agent, tour operator, service provider, owner of recreational and tourism resources, it is important to correctly plan, reasonably direct and promptly control the end-to-end tourist flow, as well as material, information and financial flows that serve it and provide the process of forming and implementing a tour in accordance with the interests and requirements of the consumer. Tourism requires logistics, and logistics is impossible without information and technologies for working with this information, that is, information technology.

Technology (*techno* - art, craftsmanship, craft, skill; *logos* - teaching, science) - the science of craftsmanship, or a set of methods of processing, manufacturing, changing the state and properties of a material or semi-finished product carried out in the production process. Each scientifically and practically grounded technology is characterized by three characteristics:

- Dividing a process into interrelated parts;
- Coordination and phased implementation of actions aimed at achieving the goal;
- The unambiguity of the implementation of the operations procedures included in the technology, which is a mandatory and decisive condition for achieving results adequate to the set goal.

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The Main Findings and Results

Information technology (IT) is a set of methods for collecting, organizing, processing and providing information using computers and computer networks. Society is moving to a new stage in its development - it is becoming an information society, the main properties of which are the creation of global communication systems that provide each member of society with access to the information resources of mankind using personal and network computers. Modern tourism business is impossible without the penetration of information technology into every travel agency and the unification of all tourism, hotel, transport, information and other companies into a single information space.

Information plays an important role in tourism logistics. Its goal is to ensure efficient service of the flow of tourists in the logistics chain "travel agency - tour operator - material and technical base - recreational and tourist resources" by monitoring and accounting for both the tourist flow - the main one in tourism logistics, and the material and financial flows serving it. The solution to this problem requires the integration of individual sections of the logistics system in tourism into a single logistics information system.

A logistics information system is a set of computer facilities (computers), organized in a certain way and connected, that control the movement of tourist, material and financial flows. The structure of the logistics information system in tourism includes the following components:

- a) Structuring networks;
- b) Their hierarchical structure;
- c) Computer software;
- d) The use of standard computer programs.

Logistic information systems in tourism include the following subsystems:

Strategic, acting at the level of centralized management of a tourism enterprise;

Dispositive (dispatching) operating at the level of the production site (department);

Executive functioning at the level of individual performers (managers),

In addition, the system has three levels:

1. The manager's workplace where a separate operation is carried out;
2. Production area (department);
3. Company management (centralized management).

Today it is already difficult to find a travel agency that does not use the Internet or e-mail. Some travel agencies use global computerized booking systems: Amadeus, Worldspan, Galileo, etc. So, cooperating with Amadeus, you can book hotel rooms, air tickets all over the world, and Worldspan, in addition, allows you to rent a car. Many Uzbek travel agencies have their own websites, where the client can not only view the information he is interested in, but also send an application for booking a tourist trip. Such systems are used not only by travel companies, but also by transport companies, in particular aviation companies. It is especially effective to use information computer technologies in small travel agencies, in which there is no strict division of functions between managers. This allows you to fully automate the ordering process, in particular, it provides:

- Strict internal procedure for working with documents;
- Direct contacts with foreign partners;
- Complex systems for booking tours, practically eliminating errors;
- e-mail system, Internet access;
- Introduction of a system of standard documents and a unified database.

The result is achieved with certain advantages:

- The number of clients is increasing;
- Service time for one client is reduced;
- Improving the efficiency of small travel agencies serving a larger number of tours;

A single database allows widespread use of e-mail.

Computer reservation systems (KSB) supply travel agencies with special packages, including special programs and equipment for carrying out their activities. The supplied KSB perform the following functions:

- Search for optimal price options for tour services;
- Access to various fares, including confidential ones, introduced by airlines for their agents;
- Printout of tickets based on booking data;
- Generating reports;
- Keeping statistics;
- access to the online help system;
- control of all transactions for mutual settlements with customers and suppliers;
- Creation on the website of the travel agency of a system for booking travel services for corporate and private clients, which allows site visitors to make an independent choice of flights and hotels and their subsequent booking.

Computerized booking systems can be divided into three groups:

- Global booking systems owned by airlines - Amadeus, Galileo, Saber, Worldspan;
- Non-connecting reservation systems that allow information access to the global reservation network and Internet reservations based on computer reservation systems owned by independent consortia (Fidelio, Utell, Start, SRS, Trust, Gabrielle, Sirena). They are used by more than 800 thousand travel agencies around the world to book travel services;
- Online booking systems providing booking services to private clients.

Galileo is one of the most widely used booking systems and provides access to flight schedules, seat availability and fares. Galileo network covers 540 airlines, 90 thousand hotels 368 transport companies, 9 cruise corporations, which implement 85% of all sea and ocean tourist routes, 30 thousand car rental companies. Galileo can book flights, hotels, rent a car, book cruises, train tickets, travel services from the world's largest tour operators. Today, the network of users of this system has 67 thousand agency offices in

160 countries of the world. Galileo accounts for 1/3 of the world's total booking services. The company offers its branded products such as:

- Viewpoint-e-Cruise - real-time viewing of the availability of seats and prices of cruise companies, liner layouts, decks and cabins locations, calculating the cost of a cruise, flights to the start and end points of the route;
- Fokaloit Net - Galileo base product that provides access to the reservation system via the Internet;
- automatic printing of tickets in Cyrillic (for citizens of CIS countries);
- tariff information in electronic form for travel agencies and airlines;
- an application programming interface (software) that allows travel agencies, travel service providers and software developers to create their own booking tools via the Internet, that is, customers can order (book) on the travel agency website not only their own travel agency products, but all others the services provided by the Galileo system (this excludes the possibility of errors, and the information is provided in Russian);
- Computer Galileo Assisted Instructions - self-study of procedures for working with the Galileo system;
- Galileo Travelpoint - allows the client to independently choose the route, calculate the cost and secure the tour booking. To do this, you need to connect to the Internet, go to the Galileo Travelpoint agency page, enter your username and password. As a result, the client is automatically queued at the agency to issue tickets and documents. It is a virtual travel agency that provides a 24/7 booking service with minimal cost to customers.

Amadeus' global multifunctional booking system provides access to resources and allows you to work with products of tour operators, hotels, air, rail, cruise, insurance and ferry companies, car rental companies. It serves over 42 thousand agencies in 148 countries, about 500 million customers a year and allows you to book:

- tickets for flights of more than 450 airlines;
- Rooms in 37,018 hotels from 278 international hotel chains (Marriott, Accor, Radisson, etc.) and individual independent hotels;

Cars in 65 car rental companies around the world, the strongest positions of Amadeus are in the tourism markets of Europe, Africa and Latin America.

Automated management systems in tourism provide management of the production and service process in tourism organizations. They serve to create a tourist structure that allows for highly efficient work of personnel and at the same time significantly reduces material costs.

The functional capabilities of these systems should provide input, editing and storage of information about tours, clients, accommodation facilities, applications, calculate the cost of tours, control payment for tours, generate various types of reporting, and others. Such systems are presented in two versions. For small offices, they are installed locally on each computer and used by individual employees. For medium and large companies, they are installed as a distributed system on a group of computers, while all data is

stored in a single database. Each manager individually works with his requests; managers of firms have access to all data. The following systems are used in the Uzbek tourist market: Master tour, SAMO tour, Asia-Luxe, Prestige Travel, Global Travel Space, etc.

The software package of the above programs is intended for the sale of tours via the Internet in *real time*. Potential tourists or travel agencies, connecting to the server of the tour operator, can view information about the tours they are interested in, calculate their cost and book the tour they like. The connection to the tour operator's server can be made from a standard browser.

With the help of these programs it is possible to organize the work of a branch and / or agency network, as well as direct sales of travel vouchers to potential tourists. In these cases, the following remote access operating modes are provided: full access mode to tour operator information, travel agent mode, guest mode.

The software package allows:

- To save managers' time for processing applications, as they directly fall into a single database;
- provide buyers of travel services (tourists, agencies, branches) with real information about the availability of tours;
- Save money and time for creating a company website, since all information is already available in the program database (descriptions of hotels, tours, prices, etc.);
- organize the sale of tours through agencies without installing special software;
- travel agencies to book tours in real time;
- For the tour operator to receive data on tours and to be able to implement "last minute" tours on time.

The master tour is:

- a software package that transforms the work of an employee of a travel company of any level into creativity, guaranteeing employees of a travel organization full information about each tour, client, partner and about mutual settlements; ensuring the accuracy of calculations of tour calculations, instant filling of any standard forms of documents, questionnaires, booking sheets, vouchers, etc.;
- workplaces of sales managers, tour creation, cashier, visa and charter departments and booking department, economist, accountant, marketer, financial and general director;
- coverage of all aspects of the travel agency's activities - from the creation of price offers and catalogs to the sale of a tourist product, from the calculation of the real cost to the conduct of mutual settlements with suppliers, from operational to management accounting. In order to print out a lot of papers (contracts, tour programs, lists of tourists, questionnaires to the embassy, etc.), the manager only needs to enter information about the client's application and his personal data into the computer's memory, the program will do the rest.

The master tour allows you to:

- print not only forms for tourists, but also reservation sheets for suppliers, create and print embassy questionnaires, insurance policies, generate all kinds of lists: for transfers, excursions, air travel. All forms are formed in the format of popular editors MS Word and MS Excel, which makes it easy to edit them if necessary. Using a database of partners (suppliers and agencies), you can carry out targeted distribution of information by fax or e-mail:
- Track top managers and directors of firms at any time the sales situation, analyze trends, obtain statistical materials in various areas, allowing them to make the right decision quickly and in a timely manner.

The access control module of the program allows you to selectively grant access rights to individual managers. The director of the company decides who will have access to prices, who to register clients, who to the database of regular clients.

With the help of the Master Tour, you can maintain a database of regular customers, flexibly respond to their requests, send letters, keep records of discount cards, as well as avoid the sale of vouchers by new employees to unwanted customers.

The program maintains a database of partners, information from which is used by the faxing wizard and the e-mail wizard for targeted distribution.

The ability to print embassy questionnaires, air tickets, insurance policies facilitates and speeds up the work of managers.

The financial module of the program allows you to control the payment of vouchers by clients, conduct mutual settlements with partners, assess the real financial condition of the company at a given moment in time, print receipts and debit orders, invoices to the cashier. With its help the director of the company can at any time assess the debt to suppliers, calculate the amount of working and own funds.

It is possible to export data from the Master-tour to the office program of insurance companies Master-insurance and the TAMA information retrieval system.

Master-tour - consists of a number of modules: Master-avia, Master-insurance, Master-price, Master-charter, Master-statistics, etc.

The Master-Avia module is a complex automation system for travel companies or their departments specializing in the sale of air tickets.

When entering sales data, it is possible to automatically print invoices for the sale, exchange or refund of both individual and group tickets. You can view the list of issued invoices, edit or re-print any invoice. The possibility of returning a partially used ticket has been implemented.

Based on the entered data, Master-avia allows you to get a large number of reports:

- On the movement of forms of strict reporting;
- Report of the agent to the airline or subagent to the agent;
- On the sale of strict reporting forms to suppliers (registers of sale, exchange, return, settlement letters) with the ability to customize report parameters (in all or one direction, including or not

including charters, printing data only on verified or on all strict reporting forms, by currency or by ruble tickets (etc.);

- Reports of the cashier, the head of the point of sale or the general manager of the company for the sale of tickets for the day or for any period;
- History of each ticket (when and by whom it was sold, exchanged, returned, canceled, etc.);
- Printout of invoices, invoices, acts of return, etc.

The Master-avia module has a built-in access control system, which makes it easy to connect new users with individual access rights to information to the system. The complex can be operated by users connected both locally and remotely via the Internet. Access of remote points of sale or subagents to the database is possible both through a web browser (for example, Internet Explorer) and using dedicated communication lines.

Conclusion

The Master-Avia module allows to automatically print air ticket forms based on the information entered into the Master-tour, and is also linked to the standard report "Airline Lists", which allows you to get consolidated lists of tourists with the numbers of the blanks written out on them.

The Master Insurance module is intended for departments (departments) of insurance of tourists (travelers), automatic printing of insurance policies and the formation of lists of insured persons.

Master insurance allows you to automatically receive data about insured tourists from the Master Tour module, or import these data from MS Excel files, or enter data manually. It is possible to enter a group of tourists using one policy. The Master Insurance module is configured individually in each insurance company, taking into account the differences in their forms.

Currently, the practice of purchasing this module by an insurance company has developed for further installation at its client - a travel company.

Only registered managers can work in the program. The program is entered using a password. The program has a simple, intuitive interface in the style of Microsoft Office.

The Master-price module is used to create price catalogs based on the prices entered for the tours in the Master-tour module. Prices are displayed in MS Excel (standard module), in html format - for the Internet (for an additional fee, taking into account the work on setting up the page for the design of the customer's site).

The Master Charter module serves as a tool for calculating the real cost of an air ticket when buying a hard block of seats on the plane, taking into account the planned travel dates of tourists.

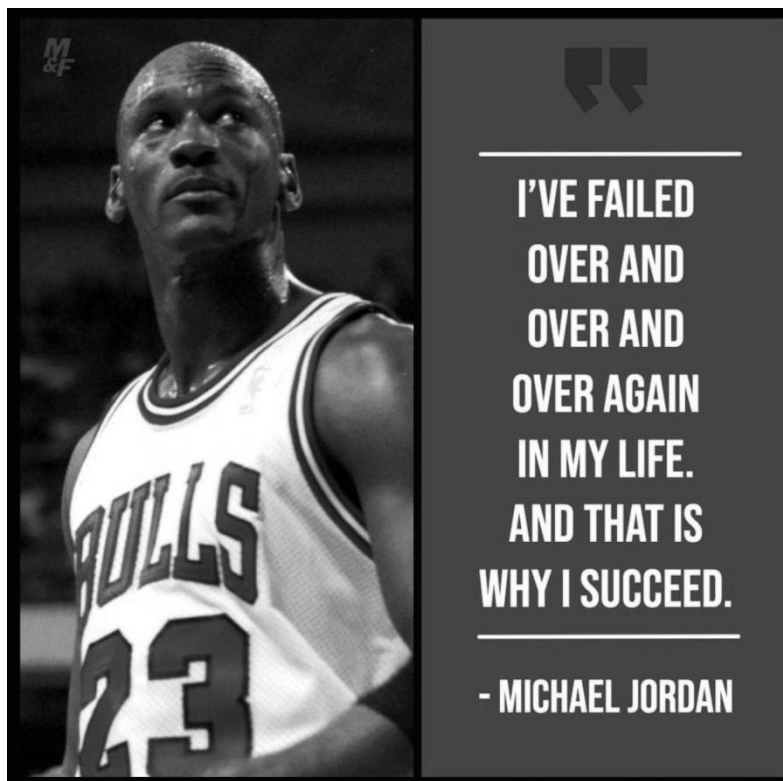
The Master Statistics module allows you to evaluate the activities of a company in various aspects, to obtain information about the preferences of tourists, hotel occupancy, the effectiveness of advertising, and to give a full report on the work of agencies. All statistics can be shown in the context of any time intervals - from one day to several years.

The Master-Interlook software package version 2.3.5 is designed to automate the work of the receiving party, that is, a tour operator who owns travel products and has an extensive network of contractors to whom he sells these travel products. Currently, the English version of Master-Interlook has been implemented. The initial data are prices for travel services and vouchers issued by a contractor.

Tourist vouchers issued using the Master-tour block can be transferred to the database of the Master-Interlook complex automatically via the Internet or by e-mail. The search system of the Master-Interlook complex makes it easy to find the desired tourist voucher and get detailed information on it, as well as find a tourist by last name, voucher number, hotel name, arrival date, etc. In addition, the complex provides the ability to view statistical information, for example, the number of tourists (rooms) in a specific hotel for a specific date, hotel occupancy, etc.

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IMPROVING INTEGRATED RELATIONS BETWEEN HIGHER EDUCATION AND ECONOMIC SECTORS: PROBLEMS AND SOLUTIONS

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ABSTRACT

This article examines the conceptual basis of the organization of integrated relations between higher education and the economy. At the same time, the results of research on the problems of organizing the educational process, which is the first and most important point of integration relations, are reflected. Taking into account the importance of the educational process in the successful implementation of the tasks set for higher education and industry in the framework of the country's further development strategy, the authors' views and comments on strengthening integration ties, as well as scientific proposals and practical recommendations on tools and mechanisms.

Keywords: higher education, sectors of the economy, integration relations, conceptual issues, strategy of organization of the educational process, system of organization of the educational process.

INTRODUCTION

While the implementation of drastic quarantine measures against the coronavirus pandemic requires changes in many forms of socio-economic life of the country, in particular, the forms and methods of establishing and developing integrated links between higher education and the economy, there is a need to revise the concept of these integrations. In this situation, in our opinion, the development of the distance education system directly in higher education institutions exists and does not provide an opportunity to overcome the problems that are expected to occur in the future. Therefore, without addressing a number of important issues at the conceptual level, it is impossible to develop the activities of higher education institutions, as well as to develop a realistic strategy for strengthening integration ties with sectors of the economy.

In our opinion, the conceptual issues that need to be addressed in the development of a strategy for the development of integrated relations between higher education and the economy can be expressed through the following questions:

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Firstly, should higher education implement the concept of narrow specialization in the training of specialists based on the current demands of economic, political and social institutions, or should it be based on the idea of forming a community of “universals” capable of adapting quickly to changes in the near and long term? Experts from the World Economic Forum in Davos commented on the main problems of almost all higher education institutions in modern conditions: "There is a demand for specialists with" universal "specialties, and this demand has been growing in recent years" [1];

Secondly, how should we organize the educational process to develop integrated links between higher education and sectors of the economy? In organizing the educational process, it is important to take into account the following statement of the famous American scientist and educator R. Akoff: "... this is the difference between the effectiveness of the ultimate goal and the efficiency of the use of means to achieve the goal, and first of all, we have to deal with the first issue, but our focus is on the second issue. This is a mistake " [2];

Thirdly, how should the results of education provided to students in higher education institutions be evaluated? Is the level of mastery of the course taken as the main criterion, or the level of formation of practical skills in the field of specialization? These questions can be explained by the need to fulfill the social tasks of the higher education system, i.e. to educate the younger generation and preserve cultural and historical traditions, to ensure harmony between advanced foreign experience and national values.

The above-mentioned comments justify the urgency of this topic, as the problems of developing integrated relations between higher education and sectors of the economy are of a systemic nature. Alternatively, it must be acknowledged that solutions to problems at any conceptual level can only be found through the development of models that can be applied in practice.

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LITERATURE REVIEW

According to many scientists, measures to combat the coronavirus pandemic today have created a need to reconsider the concept of organizing the activities of the higher education system. In particular, a report by the World Bank entitled "The COVID-19 pandemic: shocks to education and policy responses" [3] states that the coronavirus pandemic poses a threat to educational development through two factors. : the economic crisis caused by the closure of all educational institutions and the application of anti-pandemic measures. Nevertheless, there is an opportunity to assess the quality of the education system based on the principle of "better re-creation", to choose effective strategies for long-term improvement in areas such as technology and funding, pedagogy and parental involvement in education.

In his article "Higher education internationalists need to be disruptive" [4], J. Hudzik, one of the American experts in the field of higher education, noted: He put it under. " Another expert, E. Reddin, in his article "Study Abroad Faces a New Reality" [5] pointed out that providers whose work is primarily focused on curriculum development may be less likely to suffer than others during a global crisis caused by a pandemic. According to the expert, the first question for participants in foreign curricula is "Which country and university would you like to study?" not "What exactly do you want to study abroad for a successful career?" should be interpreted as

Arcadia University in Pennsylvania has offered a paid Virtual Europe program for students for the summer of 2020. Under this program, students will not only be able to subscribe to online courses for teachers of Arcadia University's faculties in London, Dublin, Edinburgh, Barcelona, Athens and Rome, but also conduct virtual internships with employers in London, Rome and Athens.

According to N. Altynikova, director of the Institute for Educational Development Strategies at the [6] Russian Academy of Sciences, "the general trend today is to move towards mixed education. Differential approaches to the organization of the educational process and the definition of individual educational trajectories create a wide range of opportunities for mixed learning technologies" [7].

In the context of the COVID-19 pandemic, we can note that a number of interrelated problems have arisen in the organization of the educational process in higher education institutions. In particular:

under the influence of lack of material and technical support in higher education institutions in some countries, insufficient coverage of the Internet, low living standards and other factors, they were not able to establish online education. In particular, the University of Buenos Aires suspended the educational process by amending the academic calendar, deciding that only direct communication-based education could provide the highest quality [8];

in a number of countries, students have opposed the transition to a distance education system. In particular, in the Philippines, there have been demonstrations against the preservation of the traditional form of student education and the online form [9];

As a result of the lack of effective learning management systems, the quality of education is declining in a number of countries. In particular, the failure of the Pakistan Higher Education Council to develop an online education strategy has created serious problems among university administrators, teachers and students [10];

There are many problems with online applications used in conducting distance lectures or seminars in higher education institutions. Some higher education institutions have announced that they have abandoned the Zoom platform and switched to Google Meet or other platforms. Universities facing hacking attacks have been forced to temporarily suspend online education.

Analysis of the above and other scientific and practical sources: the widespread introduction of online courses based on digital technologies in the educational process, increasing the level of involvement of potential employers in the preparation of educational programs and quality assessment of education, as a direction to develop the integration of higher education with the economy. to create opportunities for the organization of economic activity based on modern technologies, to strengthen cooperation with educational institutions in other countries. Thus, while countries are "closed" in a pandemic, science and education are "opening".

It is known that one of the important tasks set in the "Concept of development of the higher education system of the Republic of Uzbekistan until 2030", approved by the Decree of the President of the Republic of Uzbekistan dated October 8, 2019 No PF-5847: "... working in industrial enterprises Encourage effective cooperation with the production of education through the organization of production units, technology parks, business incubators, coworking centers, technology transfer [11].

Taking into account the above, this article aims to assess the quality of education, which is one of the biggest problems in the higher education system, and to work effectively with higher education institutions

and staff, as well as to strengthen the participation of employers in shaping the content of higher education. we will try to explain the suggestions and recommendations made.

METHODOLOGY

This article uses the following procedure of system analysis, which is a separate "alloy" of analysis and synthesis in the study of complex systems:

1. Determining the boundaries of the system under study.
2. Identify all the "high-level systems" that are part of the system under study.
3. Identify the main features and directions of development of high-level systems, in particular the goals and the contradictions between them.
4. Identify the role of high-level systems in the "large system".
5. Identify the components of the system.
6. Identify the role of system components.
7. Identify the reasons for combining elements into a system.
8. Identify all types of connections and communications of the system with the external environment.

RESULTS AND DISCUSSION

Requirements for the higher education system. Article 9 of the United Nations Declaration on Education, Science and Culture (UNESCO) entitled "Higher Education in the 21st Century: Approaches and Practical Measures" entitled "Innovative Approaches in Education: Critical Thinking and Creativity" and its main objectives requirements were recorded. The requirements in this direction are:

Higher education institutions must provide education that enables students to develop as well-educated and deeply motivated citizens, with critical thinking, the ability to analyze social problems, the ability to find and solve problems, and social responsibility;

to achieve these goals, there may be a need to revise curricula through the use of new methods, not limited to cognitive mastery of the sciences. New pedagogical and didactic approaches need to be introduced and developed to ensure a high level of competence in communication, creativity and critical analysis, independent thinking and teamwork, traditional knowledge and skills, and the use of modern science and technology. The curricula developed should take into account the equal rights of men and women, as well as be adapted to the cultural, historical and economic conditions of each country;

new methods of teaching require new teaching materials. They need to be related to new ways of testing. Tests should be aimed not only at strengthening memory, but also at understanding the situation, developing practical skills and developing creativity" [12].

Features of the organization of the educational process in higher education. The international and national requirements for higher education require, first and foremost, the interdependence and purposefulness of the subjects in the curriculum. It is advisable to take into account a number of features:

1. If the subject is aimed at studying the theoretical foundations of management or functional decisions that can be made in various areas of banking before the start of practical activities in the specialty,

pedagogical technologies used in science modules - develop students' practical skills in organizing these decision-making processes should serve as a process or a specific guide [13]. In order to achieve the required situation in a timely manner, the subject of education needs time, conditions and a clear methodology to choose the direction of action and the means and methods of achieving the set goals [14]. Therefore, the student should learn management and functional decision-making skills related to practical activities in advance (preferably from the first year).

2. When it is necessary to make many interrelated decisions, i.e. a system of decisions, in order to achieve the desired (expected, required) [15] perspective, there is a need for a systematic approach to the teaching process and the educational technologies used in it. This set of decisions forms the system. Some of the decisions in the set may be too complex, others may be simple. However, the most serious problem in the educational process arises not from the characteristics of the disciplines taken separately, but from the connections between them.

The system of decisions required for the design of the educational process and its technological base in any discipline has the following important features:

- The decision system cannot be considered at the same time due to its extreme complexity, so the design process needs to be divided into stages. The design is carried out in stages by a single structural unit or by different structural units in parallel or by combining initial and parallel developments. The design must be prepared or, in other words, the design must be designed.
- Decisions made in the design process should be taken into account in future decisions and, conversely, decisions made in advance should be considered in the light of subsequent decisions.

In our view, these two structural features explain that design in education is not a one-time job, but a continuous process. This process does not have a natural ending, as the issue is about approaching a final solution to the problem. The final solution cannot be reached under any circumstances for two reasons. The first reason is that the decisions made earlier are not quantitatively limited, the second reason is that the system studied in the design process will also change the economic system, which means that it is not possible to fully predict future changes. From this it is concluded that the design result (learning module) should be constantly changed and improved.

- The design of the educational process is focused on the formation of one or more perspective situations. These cases are expected, but they do not occur spontaneously without the implementation of certain measures. Thus, the design of the educational process serves to prevent errors in the conduct of practical activities and to reduce the likelihood of "failures" in certain situations.

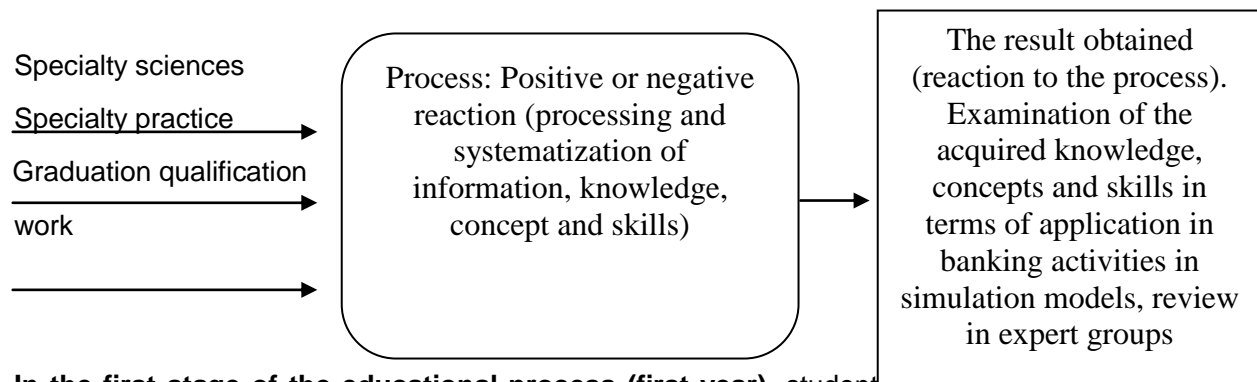
Educational technologies.

In our view, educational technology should be represented by two main structural features. First, the educational process should be a set of disciplines focused on a single goal, interconnected, complementary and logically arranged in the curriculum, aimed at training competitive and qualified professionals in all areas of education. Second, the knowledge, understanding, and skills acquired at any point in the learning process should be examined and evaluated only in relation to their applicability in the field of practical activities. This helps to determine which of the subjects covered has caused a positive or negative reaction in students.

Organization of the educational process.

Taking into account the requirements of international and national legislation on the organization of the educational process in higher education institutions and its systemic features, we try to develop proposals and recommendations for the organization of the educational process, the tasks of each stage of education and their implementation.

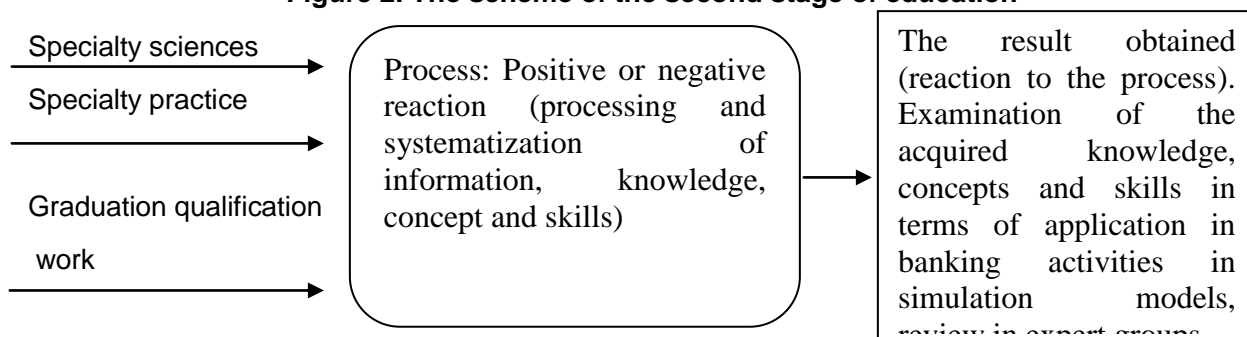
Figure 1. The scheme of the first stage of education



In the first stage of the educational process (first year), students study the humanities and socio-economic sciences, mathematics and natural sciences, as well as subjects included in the blocks of general education. Despite the fact that these disciplines have only specific features, all the information and knowledge provided by them, as well as the skills formed, should be aimed at creating a fundamental theoretical basis for the study of practical activities. Model and working curricula should ensure that the stated goal is achieved. The end result of the knowledge provided in the first stage of education is the level of knowledge of the order in which information is obtained, the sources from which it can be made, as well as the principles to be followed in decision-making (reaction to the situation).

Phase 2 (second year). Objective: to form the theoretical and methodological basis of the specialty.

Figure 2. The scheme of the second stage of education



In the second stage of the educational process (second year) students must learn the theoretical and methodological foundations of the specialty through the disciplines included in the relevant subject blocks. At the same time, it is not expedient to draw students' attention to subjects that are not directly

related to state educational standards, professional requirements for the specialty. During the second stage of education, students will learn the theoretical and technological foundations of the specialty, the importance of the necessary knowledge, understanding and skills, as well as methods of analyzing the situation in the global and macroeconomic environment, the characteristics of financial markets. The final result of the knowledge provided in the second stage of education is the level of knowledge of the order and sources of information for decision-making in real economic situations, as well as the principles to be followed in decision-making (reaction to current global and macroeconomic conditions).

Stage 3 (third year). Objective: to form a practical and methodological base of specialization.

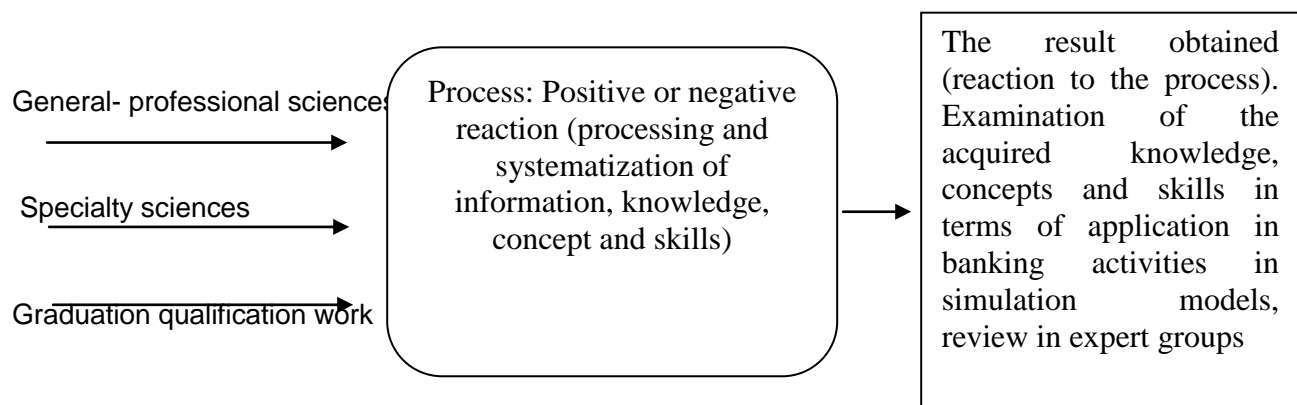


Figure 3. The scheme of the third stage of education

In the third stage of the educational process (in the third year), students form the information, knowledge, understanding and practical skills necessary for carrying out activities in the specialty by studying the relevant disciplines. The formed base should be sufficient to make it possible to make appropriate decisions in various aspects of the enterprise (i.e., in accordance with the requirements of macroeconomic policy) and to analyze how each decision will affect the company's activities. In our opinion, at this stage, the main tool of control should be software that allows you to model the activities of enterprises in our country.

Stage 4 (fourth year). Objective: to develop the ability to work in the specialty and conduct research in this area.

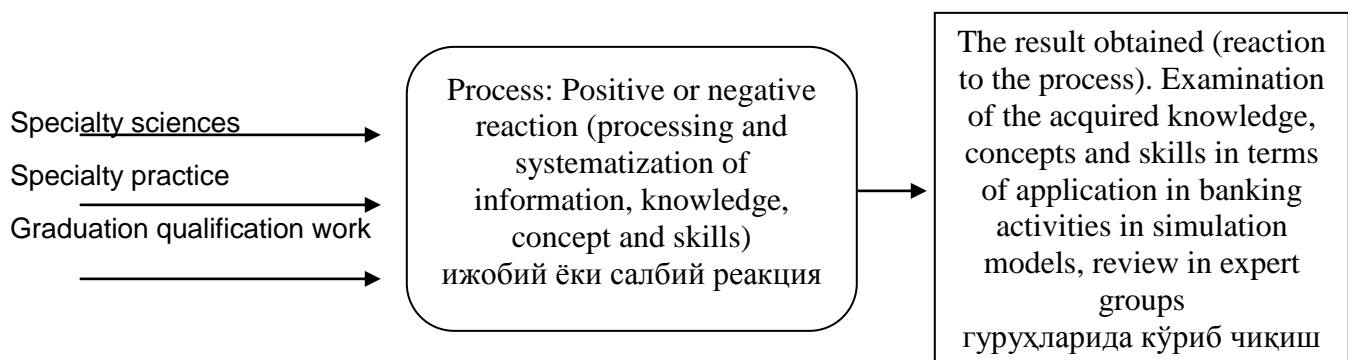


Figure 4. The scheme of the fourth stage of education

During the 4th stage (fourth year), students have a good understanding of the current state of the real economy, the nature of the problems and ways to develop solutions to these problems and communicate them to stakeholders. are required. The mechanism for testing the knowledge, understanding and practical skills acquired in the fourth stage should be complemented by a team of experts consisting of leading experts from the enterprises.

Stages of organization of the course process. The proposed scheme of the education system requires the improvement of approaches to the organization of the teaching process. In our opinion, the essence of pedagogical technologies used in the teaching process can be expressed as follows:

Step 1. A set of data that is directly related to the topic of the lesson, the source is clearly indicated, serves to reveal the features of the system, is brought to the student's attention using standard (table, picture or diagram in presentations) or non-standard (video, moving objects). Clear conclusions are given for each question of the topic.

Expected result. Convincing that the system is indeed complex, that the set of indicators that represent it requires sufficient knowledge to fully understand, and that practical features are considered throughout the lesson. Most importantly, the student needs to understand what factors underlie the situation, and how to determine the causes of such a situation.

A possible reaction. Depending on whether students are ready for class, willing to accept the knowledge and concepts provided, or, conversely, ignored, there is usually a belief that "study is a different job" or "I will learn when I get a job" or "I have more worries". and at times, disagreements between students in a group may be counterintuitive to individual students. It's hard to know them in advance all the time. Because this type of reaction is not explicitly expressed, in most cases it appears as an effect of a "mixture" of complex causes. Based on this, we consider the following variants of the reaction:

Option 1 of the reaction. The main part of the students' attention was drawn to the course material. To enhance the reaction, the data are supplemented with additional information on the topic [16]. It should be noted that additional information should not deviate from the topic of the lesson.

Option 2 of the reaction. The main part was that students did not have the opportunity to focus on the course process and the topic. At the same time, the factors that led to the neglect of students should be identified as soon as possible. This is done using express-inquiry or identification tests [17]. Results can be quickly changed by changing the course schedule or making changes to the next lesson plan.

General description of the reaction at the end of Phase 1 of the lesson:

Firstly, the knowledge imparted must be transformed into a concept throughout the lesson. The formation of the concept ensures that the practical skill goes in the right direction. The emergence of practical skills leads to the acquisition of new knowledge. New knowledge creates new understanding, new understanding creates new skills. This results in an uninterrupted learning process.

Secondly, the teacher develops the ability to quickly analyze the lesson process, change it, or take appropriate action against a particular group of students.

Phase 2. One student will be involved in the process of explaining one of the last two questions of the course topic. His level of mastery of the sciences is not taken into account. Prior to the lesson, the student will be provided with all information, including presentation materials. Explanatory work will be carried out

when necessary [18]. It is necessary to pay special attention to the fact that the student, like the teacher, has the right to give lectures, to write the corresponding questions to other students, to ask questions.

Expected result. By participating in the teaching process, the student a) understands that the teaching process is complex; b) understands the need to have sufficient knowledge and skills to teach; c) Successful or unsuccessful course of individual students has a strong impact on the reputation of their strongest emotion. While this creates a negative situation on the one hand, that is, a certain disagreement between students, on the positive side - that is, it creates competition between students. Such an approach can also enhance respect for the teacher and his or her profession.

A possible reaction. For the most part, the irresponsibility of students can lead to the failure of planned work. It is also common for a student who has failed once to give up on future attempts altogether. It may also face systemic or individual resistance from certain students. At the same time, it is very likely that the management of the educational institution and colleagues will not accept such an innovation.

Step 3. In drawing conclusions at the end of the lesson, attention should be paid to the next specific psychological feature: the introduction and the final part of any conversation will be remembered, so it is more important to end the conversation than to enter the conversation. The final part of the lesson should be devoted primarily to assessment, taking into account the desire of students to acquire knowledge (psychological factor). In the second place, the tasks should be aimed at a specific goal, that is, to reveal the practical features of the topic and to form the relevant skills (practical factors).

Expected overall result. The best method of teaching is to involve the learner in the teaching process. In the process of teaching, the desire to acquire both knowledge, understanding and practical skills increases.

CONCLUSION

First of all, it should be noted that the issue of improving the integration links between higher education and the economy requires extensive research. In this article, we have presented ideas and considerations on only a part of the issue, namely, the organization of the learning process, which is the first stage of strengthening integrated relations. Nevertheless, we can note a number of general and specific conclusions:

First, the definition of the ultimate goal in the field of education provides an opportunity to develop a long-term, medium-term and short-term strategic vision for higher education. In doing so, it is necessary to take into account the requirements of conceptual approaches, known as the "cost-effectiveness model" or "Pareto Optimum". According to this model, in order to ensure the welfare of society and the optimal allocation of resources, first of all, any change in this distribution should not adversely affect the welfare of at least one entity of the economic system [19];

second, another important issue in education is the correct setting of the goal (effectiveness or efficiency). The correct definition of the goal, in turn, allows you to choose the means and mechanisms to achieve it. In defining the purpose, means and mechanisms of the educational process, in our opinion, the conceptual ideas of the classical German school put forward by I.G.Fixte, I.G.Pestalotstsi and introduced by Wilhelm von Humboldt should be taken as a basis. According to this concept, education (Bildung) is not only the teaching of practical skills, but also the awakening of the "hidden forces" and the ability to think abstractly in such a way that a person can choose one of the appropriate decisions in case of unforeseen circumstances. Education, therefore, must first and foremost be formal, not material; it does not have to adapt to specialization or social strata (Bildung ist nicht Ausbildung) " [20]. In our view, it is this conceptual

approach that enables the training of a team of professionals capable of successfully completing complex and strategic tasks;

thirdly, it is recognized by many scientists and experts that there are serious shortcomings in the conceptual approaches used in the organization of the education system during the introduction of quarantine measures against the coronavirus pandemic in the world. The inability of the economy to adapt quickly to the pandemic, the crisis in the economy, the need to reform the health care system, the burden of financial losses caused by COVID-19 on the state (and therefore the population) and other factors, in our opinion, serve to reaffirm the above conclusion. In our opinion, in the organization of the educational process, a strategy that embodies the philosophical laws, the principles of the system plays an important role. It is expedient to take into account two features: first, "The application of the law of dialectics on general interdependence and interdependence in nature to social systems. In this situation, in real life, any problem of a particular entity cannot be considered and resolved without taking into account the interests of other parties involved" [21]; second, "strategy should allow the organization to control its own future or to react effectively to uncontrollable situations" [22];

fourth, the integrated links between higher education and the sectors of the economy are formed during the organization of the educational process. The internships provided for in the curricula play a certain role in strengthening these links, as well as in assessing the level of readiness of students, but do not give priority. This is because the internship only provides an opportunity to assess the skills formed at a particular stage of education. The direct participation of economic entities in the organization of the educational process and its effectiveness serves to solve at least two important problems:

- Intensification of the process of integration between science and economics in interdisciplinary and scientific research;
- It is expedient to develop training programs based on the principle of "forward looking approach" based on the perspectives of the sectors of the economy;
- Fifth, the model of organization of the educational process presented in this study may serve to change to some extent the approaches to the training of specialists in addition to the above-mentioned issues and to overcome a number of other problems related to higher education. In particular, in the words of the President of the Republic of Uzbekistan: "Young people should study not to pass the exam, but to become educated professionals." [23]

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- Any practice requires that appropriate decisions be made in this or that area of activity. This means that the relevant basic knowledge, understanding and skills that a student acquires in the learning process form the basis for future decision-making. We therefore interpret the learning process as an activity (or type of service) aimed at developing effective decision-making skills in the future.
- Different methodologies are used in the study of different disciplines, as well as the scope of the subject of each discipline has different goals. Such a situation may distract the student from the main goal and the methodology he or she should master. In particular, the theoretical and methodological basis for the organization of accounting in economic entities on the basis of National Accounting Standards (NAS) differs significantly from the methodology of the accounting process based on International Financial Reporting Standards in commercial banks..
- Different goals are set from the point of view of the subjects directly or indirectly involved in the educational process.
- The teacher conducting the lesson should always have the latest information and be able to draw conclusions from it.
- Given the difficulty of predicting the course process in advance, the teacher must prepare for the second version of the student reaction and prepare appropriate questions or tests.
- Some students do not have the skills to speak in public, express their opinion, and defend it because of their character traits. They need to be convinced. In some students, any assignment given by the teacher will cause a negative reaction. In this case, it is necessary to use non-standard methods of interaction. For example, prepare a separate part of the topic in the form of handouts, with a picture of the speakers. This task can be delegated to the student himself.
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SYSTEMAL UNDERSTANDING THE INSIGHT, TASKS AND FACTORS OF ECONOMIC GROWTH

Sukhrob Rustamovich Allayarov¹

ABSTRACT

The article discusses the need for a systematic understanding of the content, objectives, and factors of economic growth, advantages, and new conditions, the theoretical basis, and causes of radical changes in the system of public policy measures to ensure economic growth in the Republic of Uzbekistan.

Key words: *economic growth, economic development, goals of economic growth, types of economic growth, efficiency of economic growth, contradictions of economic growth, indicators of economic growth, methods and tools for stimulating economic growth.*

INTRODUCTION

The Action Strategy² for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 states that strengthening macroeconomic stability and maintaining high economic growth rates is a prerequisite for sustainable development of the country's economy in the medium term.

The problem of economic growth is one of the most important and therefore one of the most pressing and justifiable problems of economic development, which attracts the attention of many researchers..

MAIN BODY

According to economic theory, current economic growth models are divided into three main groups: Keynesian and Neo-Keynesian economic growth models, neoclassical economic growth models, modern modern economic growth models³.

Modern economic theory on the basis of economic growth usually understands the long-term growth of the natural level of real volume of production, which depends on the development of productive forces over a long period of time, rather than a real increase and short-term development of production of natural importance (PhD Sh.Allayarov, M.Mirzamakhmudov, M.Mirzamakhmudova, 2020).

The current type of economic growth was identified in the middle of the eighteenth century as a result of the Industrial Revolution in England. During this period, the real income of the population increased by 10 times, while in developed countries this figure was even higher. Until the early twentieth century, data on economic growth were not fully available.

The founder of the theory of economic growth is the economist Y. Schumpetter, who worked in the early twentieth century. Simon Kuznets, Fernand Broadl, Theodore Schultz, Gary Becker, Michael Porter, Nikolai

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²Annex to the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. PF4947 "On the Strategy of Actions for the further development of the Republic of Uzbekistan" // Collection of Legislation of the Republic of Uzbekistan. - Tashkent, 2017. - № 6 (766). - 33-b.

³Ishmuhammedov A.E., Jumaev Z.A., Jumaev Q.X. Macroeconomics (textbook) - T.: Publishing House of the Literary Fund of the Writers' Union of Uzbekistan, 2005. 169 p.

Kondratev, and others have also contributed to the theory of economic growth. Economist Angus Madison has done a lot of research in the field of estimating real GDP and economic growth rates¹.

Economic growth, in turn, serves the realization of the fundamental interests of man, improving the living standards, quality, and welfare of the population, which is its economic basis.

Today, in the specialized economic literature and in the daily press, there are different opinions on the concept of economic development (development) and economic growth as the same concepts.

A group of authors interpret these concepts as synonymous².

Another group of authors argues the exact opposite³.

Some economists explain their relationship differently from both of the above views. For example, according to A.E. Kisova and T.D. Romashchenko, economic development is a specific type of economic growth: "Socio-economic development is, in essence, economic growth that ensures the development of man, his potential."⁴.

At the same time, most authors unanimously support the need to study economic growth "as the main goal and criterion for developing the material basis for the prosperity of the socio-economic system."⁵.

On the other hand, some researchers argue that "economic growth cannot solve some social problems"⁶.

In the current conditions of economic development of the Republic of Uzbekistan, as an important condition for achieving sustainable economic growth appears the formation of an effective system of factors to ensure economic growth, not only in terms of quantity but also in terms of quality.

In defining such a system, along with the theoretical foundations and general laws of world economic development, it is necessary to take into account the specifics of the current state of development of the national economy, taking into account the opportunities and limitations of economic growth.

¹ Jamalov Kh.N. On the question of methods for assessing the financial stability of small business and its factors // Scientist of the XXI century. 2020. No. 3-2 (62), p.50-59

² Djamalov Kh.N. Role and functions of the estimation of the business in the system of financial management// Public finance// Paris, 2010 year may, 22-28 p.

Loskutova MV The process of globalization as a determinant of economic growth of the national economy / Socio-economic phenomena and processes. 2012. No. 12 (46). p. 185-193;

Manuel Almodovar-Gonzalez, Antonio Fernandez-Portillo, Juan Carlos Diaz-Casero Entrepreneurship and economic growth. Multi-Country Analysis // European Study on Management and Business Economics # 26 (2020) p. 9-17 (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

³ Nekipelov A.D. Fiscal choice of economic strategy // Free thought-XXI. 2018. No. 9.p.56-69.

Plekhanova AF, Ivanov AA, Ivanova ND, Kolesov KI Strategic business processes / Modern problems of science and education. 2014. No. 3. S. 349-355.

⁴ Kisova AE, Romashchenko TD Conceptual model of humanization of economic growth / Socio-economic phenomena and processes. 2011. No. 5-6 (27-28). p. 110-115.

⁵ Loskutova MV The process of globalization as a determinant of economic growth of the national economy / Socio-economic phenomena and processes. 2012. No. 12 (46). P. 185-193;

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⁶ Nekipelov A.D. Fiscal choice of economic strategy // Free thought-XXI. 2018. No. 9.p.56-69

Identifying the factors of economic growth is ensured by fully disclosing its content and nature. An analysis of approaches to the content of economic growth shows that there is no single approach to understanding and interpreting it. In general, in determining the nature of economic growth, it is possible to distinguish three different perspectives:

- Through the interrelationship of the concepts of economic growth and economic development;
- Through the quantitative and qualitative determination (expression) of economic growth;
- By looking at economic growth as an integral part of the state's socio-economic policy.

Regardless of the scope and circumstances of the application of the concepts of "economic growth" and "economic development", there is no general scientific observation to define them and express their interdependence. While one group of researchers emphasizes that these concepts have the same content and interpret them as synonymous concepts, others view these concepts as independent economic categories and consider them to have different meanings. In our view, economic growth and economic development are interdependent and complementary concepts: economic growth can be a "significant structural force" leading to qualitative changes in the functioning of the national economy and its composition, i.e. it can be the basis for a leap in development. Economic development, in turn, can boost economic growth "by removing certain constraints".

There is also no uniqueness in the approaches to defining the economic content of the concept of economic growth. Some economists consider "economic growth" to be a category of quantitative order, while others argue that it should be defined not only quantitatively, but also qualitatively.

ANALYSIS AND RESULTS

The study of the system of content, tasks and factors of economic growth on the basis of the rules of economic systemology requires considering it as a set of three levels of relations simultaneously (Figure 1).

Economic growth is the main goal of the country's macroeconomic policy, which is subject to the laws of its development and the conditions of regulation at the international level. Economic growth as an object of public fiscal policy The activity of the state as an important direction of effective measures to stimulate economic growth

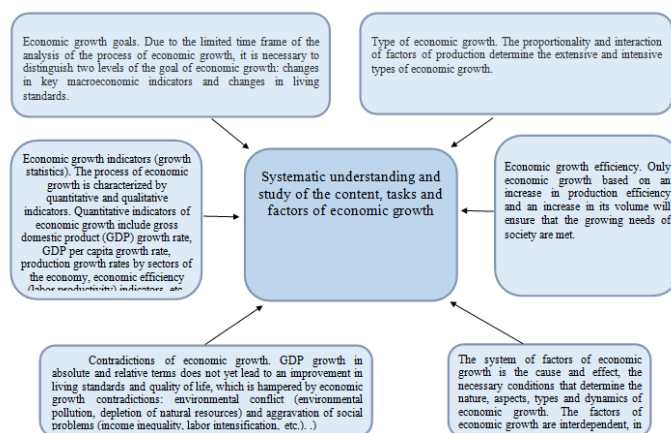


Figure 1. Systematic understanding and study of the content, tasks and factors of economic growth*

The following aspects of a systematic understanding of the concept of "economic growth" should be highlighted:

a) *economic growth goals*. Given the time constraints of the analysis of the economic growth process, it is necessary to distinguish two levels of economic growth targets: changes in key macroeconomic indicators and changes in living standards. An important condition for the realization of the long-term goal of economic growth is the integrated development of all economic entities, ensuring that each of them achieves certain strategic goals;

b) *type of economic growth*. The proportionality and interaction of factors of production determine the extensive and intensive types of economic growth;

c) *economic growth indicators* (growth statistics). The process of economic growth is characterized by quantitative and qualitative indicators. Quantitative indicators of economic growth include gross domestic product (GDP) growth rate, GDP per capita growth rate, production growth rates by sectors of the economy, economic efficiency (labor productivity) indicators, etc. The outcome of growth affects living standards and quality indicators;

d) *economic growth efficiency*. Only economic growth based on an increase in production efficiency and an increase in its volume will ensure that the growing needs of society are met;

e) *economic growth contradictions*. GDP growth in absolute and relative terms does not yet lead to an improvement in living standards and quality of life, which is hampered by economic growth contradictions: environmental conflict (environmental pollution, depletion of natural resources) and aggravation of social problems (income inequality, labor intensification, etc.). .);

f) *system of economic growth factors*. In our opinion, the factors of economic growth include the cause and effect, the necessary conditions that determine the nature, aspects, types and dynamics of economic growth. The factors of economic growth are interdependent, in a sense, acting in concert with each other. These cases show that the set of factors of economic growth consists of a certain level of organizational system, the elements of which are interconnected and interdependent.

The system of economic growth factors under study can be categorized using a variety of methods. Depending on the nature of the dependence and relationship of one or another factor, the elements of the system may be different, which implies the multidimensionality of the system. As such criteria, one or another classification of economic growth may emerge. Classification of economic growth factors according to different classification criteria allows a more detailed study of their nature, essence and distinguishing features. The most common classifications of economic growth factors are: straight and curved, extensive and intensive; controlled and uncontrolled; market, state and domestic production; economic and non-economic; interchangeable and complementary, etc.

It is effective to analyze the country's economy through economic growth models. For example, analyzing and forecasting the economy through economic growth, the level of capital adequacy of the country, maximum satisfaction of consumption and thus keeping the savings rate at the level of the "golden rule" will help increase the efficiency of the country's economy and plan for the future. However, other models of economic growth can also be used in the analysis, evaluation and forecasting of the economy.

As economic growth is studied from different perspectives, it is possible to distinguish between its intensive and extensive types (Figure 2).

Types of economic growth	
Extensive economic growth	Intensive economic growth
Increasing the quantity of factors of production without changing the previous technical level	Improving the quality of factors of production
Lack of increase in efficiency of use of factors of production	Increase in efficiency of use of factors of production of workers
Increase in the number of workers	Increase in the skills of workers
Increase in capital investment	Savings mechanism
Increasing the volume of raw materials used	Using the achievements of scientific and technological progress
Stability of the structural structure of products	Organization of production and improvement of its methods
Irrational use of natural resources	Expanding the range and improving the quality of products
The inevitability of the economic crisis	Rational use of natural resources

Figure 2. Description of types of economic growth *.

**The author's work.*

Extensive economic growth occurs through the additional involvement of factors of production, such as natural resources, labor, and capital, and only through their quantitative increase. At the same time, their quality and technical level remain unchanged. Intensive economic growth will be ensured by improving the scientific and technical base and increasing labor productivity through the efficient use of all factors of production. The efficiency obtained from each unit of resources involved in intensive road production is reflected in the growth of the final product, the increase in product quality¹.

In our opinion, the above criteria for the classification of economic growth factors should be supplemented by the following. First, systematize economic growth factors according to the nature of their

¹ Valiev B. "Conceptual approaches to the theory of economic growth. Business Expert, 2014 son Issue 1, p.18.

impact on economic growth. Based on this approach, the factors that stimulate and sustain economic growth and slow it down are studied. Second, economic growth factors are categorized into used, reserve, and potential types, depending on the level of their use.

Defining the system of factors of economic growth is a complex process that requires the study of the directions, nature and level of impact of all factors of economic growth on economic growth. In practice, the creation of a system that covers all factors of economic growth is limited both due to technical complexities and the presence of a significant degree of subjectivism. It should also be noted that the impact of some, but not all, factors of economic growth within a given time and space will be significant. Therefore, it is advisable to carry out the analysis process on the set of factors that have the most significant impact on economic growth (key factors of economic growth).

Sustainable economic growth in the Republic of Uzbekistan in modern conditions requires:

The first is proportionality, which provides an optimal ratio between the sectors of the economy, ensuring a more complete satisfaction of the needs of the general population and more efficient use of resources.

Second, to take into account the state of the environment, social problems, and the state of international relations.

Finally, sustainable economic growth is due, on the one hand, to the grounds for its provision and, on the other hand, to the constraints in this area.

The degree of achievement of the set goal is determined by the effectiveness of quantitative and qualitative criteria of the system of economic growth factors.

Sustainable GDP growth may emerge as a quantitative criterion for the effectiveness of the economic growth factor system (Allayarov Sh. A., 2017).

As a result of the consistent implementation of the medium term program of further reform, restructuring and modernization of the country, in 2019, are being maintained stable and high rates of economic growth and macroeconomic balance, living standards and quality of life. At the end of 2019, the GDP grew by 5.5%. The volume of industrial production increased by 6.4%, construction works - by 11.8%, retail trade turnover - by 7.9%, services - by 6.1%. The fiscal balance deficit amounted to 3.1% of GDP. A positive balance of foreign trade turnover was provided. The inflation rate did not exceed the forecast parameters and amounted to 15.5 percent¹.

According to the strategy of maintaining and improving the economic position in the world community, including the "Concept of integrated socio-economic development of the Republic of Uzbekistan until 2030", and various development scenarios and forecasts of international rating agencies, is emphasized that annual GDP growth in the country will increase from 6% to 7-8%.

The description of the qualitative criteria of the system of economic growth factors is reflected in the growth of living conditions, reduction of stratification among the population, increase in life expectancy, improvement of the environment, growth of economic competitiveness, etc.

¹. Budget 2020. 2021-2022 Data of the Ministry of Economy of the Republic of Uzbekistan.

The level of satisfaction of needs and the rational use of available resources in order to obtain high efficiency are the basis for assessing the system of economic growth factors. Assessment of the current state of the system of factors of growth of the national economy is the basis for the conclusion that the quantitative aspect of economic growth in the Republic of Uzbekistan is provided. The qualitative description of the economic growth achieved indicates that the efficiency of the system of factors providing it is still at a much lower level.

As a result of comprehensive modernization of the Uzbek economy, the country is achieving socio-economic stability. As a result of effective economic policy of the state aimed at a specific goal, high results are being achieved.

On ensuring macroeconomic stability and the balance of domestic and foreign sectors of the economy:

- as a result of tight monetary reform, the annual inflation rate has remained around 7-8% for the last 10 years;
- As a result of effective fiscal policy, the country's budget has ended in surplus in recent years;
- As a result of modernization of the economy, stimulation of local producers, the production of competitive products and foreign trade turnover is positive.
- On ensuring economic growth at the expense of internal factors:
- As a result of modernization of the economy, increasing the competitiveness of the economy, the GDP growth rate in the country over the past 10 years averages 7.8%;
- As a result of localization of production, stimulation of domestic production in 2019, more than 76% of total exports amounted to finished goods.

On the diversification of sectors of the economy and the implementation of comprehensive structural reforms:

- The share of industrial production in GDP in 2019 amounted to 26.6% as a result of increasing the volume of investments in the country by attracting targeted foreign investment, creating favorable conditions for investors, increasing investment attractiveness in the country;
- As a result of the development of the middle class, diversification of the economy, the creation of benefits and conveniences for small businesses and entrepreneurs, the share of small business in GDP in 2019 amounted to 62.3%.

CONCLUSIONS AND RECOMMENDATIONS:

In order to develop the Uzbek economy in a stable, dynamic and balanced manner, deepen structural reforms aimed at diversification of key sectors and increase export potential, modernization of sectors, complexes and enterprises, further increase their efficiency and competitiveness through technical and technological modernization of production. The following can be identified as priority areas of provision:

– development of clear, in-depth and well-thought-out long-term plans for the development of key sectors of the economy, on this basis to further deepen the structural reforms aimed at diversification of key sectors;

– production of competitive products with high value-added share, which are in constant demand in the world market, large-scale modernization of enterprises, technical and technological renewal, equipping them with the most modern high-tech equipment;

- accelerated introduction of modern scientific achievements and advanced innovation technologies in the economy;
- placement of enterprises in all regions of the country and on this basis to ensure the widespread production of import-substituting products in the regions;
- increase labor productivity, consistent reduction of production costs and product costs, widespread introduction of modern energy and resource-saving technologies;
- sustainable growth of export potential on the basis of deep and high-quality processing of local raw materials, increase of production of competitive export-oriented products, etc.

These directions are not "isolated conditions" of economic growth, but their interdependence and interdependence - an important condition for their implementation in order to ensure sustainable economic growth.

On the basis of the rules of socio-economic systematization (method), the **generalized interpretation of the insights, functions, and factors of economic growth** on the basis of systematic understanding and research makes it possible to emphasize that it *"as a political-economic category that reflects the quantitative and qualitative changes in the volume and conditions of social production during the relevant period on the basis of more efficient use of economic resources in order to more fully meet the constantly growing social needs"*.

This interpretation fully reflects the nature of economic growth, which is characterized by the sharpening of the objective economic contradiction between the growth of social needs and the degree of its satisfaction. Economic growth leads not only to a change in the quantitative indicators of the level of production, but also to a change in the indicators of the level of social development (quality of economic growth): an increase in the material well-being of the population; increase in free time; development of social infrastructure networks; growth of investments in human capital; ensuring working conditions and safety of life of the population; social protection of the unemployed and disabled.

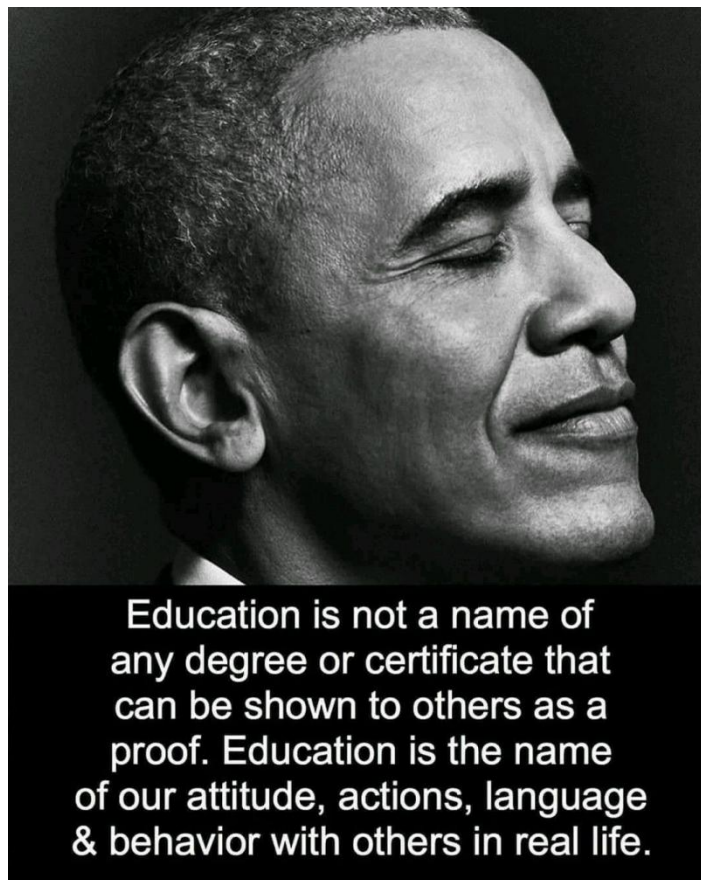
A systematic understanding and study of the content, tasks, and factors of economic growth reveals the interdependence of the concepts, relationships, properties, and characteristics associated with them, and expresses that interdependence in the form of a logically constructed system. In this regard, a comprehensive study of the use of effective tools and tools by the state to stimulate economic growth will serve for a deeper and broader understanding of the features and laws of fiscal practice (PhD Sh.Allayarov, 2019).

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WAYS TO IMPROVE THE MECHANISM OF SOCIAL PROTECTION

Shakhnoza Erkinovna Abdullayeva¹

ABSTRACT

The article looks at the concept of social protection of population and the ways to improve the mechanism of social protection, which makes research topic relevant.

The scientific article gives scientific definitions to such categories as "social protection", "social policy" by various scholars and authors. In addition, the article groups social protection programs, summarizes and comprehensively, analyzes the theoretical and scientific approaches to improving their effectiveness.

Having done an extensive analysis of the research materials, the author makes a conclusion about the urgency strengthening measures for social protection of the population in order to avoid further economic recession.

Keywords: *Population, social protection, social security, social programs, labor, income, social policy, social assistance, a layer of the disabled population, consumer protection, consumer society, living standards of the population.*

Introduction

Social protection is one of the most important tasks in a market economy. The concept of social protection acts as a category that embodies the social problem that society needs to address in the current era of economic reforms. In order to develop and prosper, the state must embody law and justice, the support of its population. The stability of society, its sustainable development, and, as a result, its national security depend on the state of the social sphere, the effectiveness of the policy pursued by the state in the sphere of social support of citizens. The problems of economic development in modern conditions are inevitably associated with the need to remove special attention to social issues, including the formation and improvement of the system of social protection of the population. The specificity of the creation of national systems of social protection of the population is due to both the socio-economic characteristics of the development of these countries and the choice of ways and methods for the implementation of the reforms themselves.

One of the priorities in deepening market reforms in our country is to improve the mechanism of social protection. As the level of economic development increases, it is important to study the problems of social protection and develop solutions.

In any society, the population is in need of social protection, that is, low-income and large families, the disabled, the growing number of unemployed. Therefore, the improvement of the mechanism of social protection of the population in our country is an urgent task. The level of development of the country can also be seen in the living conditions of the population. In other words, the growth of living standards serves as a qualitative indicator of economic development of the country.

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In addition, it is necessary to improve the mechanism to ensure a stable income of the population and maintain good living conditions. These efforts will be the basis for raising the address of the social protection system, the formation of a new priority of social protection.

During the pandemic, there is a growing need to reform the activities of institutions that provide social and material assistance to the poorest and most vulnerable segments of the population. Therefore, the solution of these problems is being carried out rapidly. In order to ensure the necessary control, transparency and addressability in the distribution of financial assistance, the transition from a previously inadequate and inefficient system to a new system is taking place on the basis of the introduction of systemic solutions based on digital technologies.

Main part

According to many scholars, the concept of social protection in the broadest sociological sense was first used in 1935 in the US Social Security Act.¹ This law contains proposals for the development of programs for the provision of social assistance to the elderly and the disabled. However, the concept of social protection has not been fully elucidated and recommendations to address this issue have not yet been developed.

In addition, this concept is widely used in the social policy of the country, including labor, employment, career choice, training, education, income security, consumer protection, consumer society, improving the quality of goods and services, health care, social the welfare system and the provision of pensions, benefits, various benefits to the needy, low-income part of the population. The concept of "social protection" is so large that it is difficult to fully explain its meaning and essence. It is therefore expedient to consider the views of many scholars. It allows us to analyze ways to solve the problem of social protection and to state our position.

The main task of social protection is providing social assistance to the vulnerable population or to warn them of impending financial hardship. The peculiarity of any market economy is that it is understood that an individual makes an independent decision about how to participate in economic life. Everyone, first and foremost, is responsible for their own insurance. If a person is not socially insured, then his or her temporary income is protected by state social assistance.²

Social protection is one of the most important issues in the transition to a market economy. The concept of "social protection" is manifested as a category that reflects the social problems that have matured in society today.³

The social protection system is a system of welfare programs consisting of benefits based on the level of poverty of the needy population.⁴

¹ The Social Security Act of 1935 is a law enacted by the [74th United States Congress](#) and signed into law by [US President Franklin D. Roosevelt](#).

² Khoshimov P.Z. Economics of the social sphere T.: 2002, p.119.

³ Azamov S.M. – "Forming an effective mechanism of social protection of the family. Abstract prepared for the candidate of economic sciences. Andijon – 2006, p.12.

⁴ Vakhobov A.V. KhajibakieSh III.H. Problems of strengthening the structure and targeting of social protection: international experience and national characteristics / Proceedings of the Republican scientific-practical conference on "Priorities for modernization and development of the social sphere." Tashkent. 2018. p. 14-24

In the economic literature of countries with market economies, especially in the comments of economists, one can find different meanings of the term "social protection". For example, in some literatures, the concept of "social protection" is interpreted in two different, broad and narrow senses. In the broadest sense, "social protection" is a set of legal, economic, social measures that provide social and material protection of the population and is determined by society, in the narrow sense, due to insufficient age, health, social status, livelihood of the state and society. care, care for citizens in need.¹ "Social protection," says L.Allahverdieva, "is a narrow state policy that protects human rights and provides social security in accordance with living standards." At the same time, the concept of social protection has a broad meaning, involving not only the state in social protection of the population, but also all segments of society and non-governmental organizations. Social protection of the population is a key element in the formation and development of a market economy.²

The stratification of the population by income level on the basis of the minimum subsistence level and the minimum consumption budget allows to distinguish the following groups of the population with different levels of material security: "Poor" families - in which the per capita income is less than or equal to the minimum subsistence level; "Low-income" families - where the per capita income is between the minimum subsistence level and the minimum consumption budget; "Affordable" families - in which the per capita income is located between the amount of the minimum consumption budget and the amount of the rational consumption budget; "Rich" families - in which the per capita income is higher than the level of a reasonable consumer budget.³

According to a number of other economists, "... in a market economy, social protection is a natural component of the organization of economic and social life of society, and its organizational and legal forms serve to ensure the continuity of the labor process and labor reproduction".⁴ Бу нуқтаи назарга бизнинг айрим эътирозларимиз бор. Хусусан, бундай талқин фақат меҳнатга лаёқатли фуқароларни назарда тутиб, аҳолининг меҳнатга лаёқатсиз қисмини қамраб олмайди. Бундан ташқари, ижтимоий ҳимоя бу аниқ тушунча бўлиб, иқтисодиётнинг барча соҳаларида фаол қатнашади ва ижтимоий ишда фуқароларни ижтимоий ҳимоя қилиниши талқин этилади.⁵

According to a number of scientists, as market relations develop, citizens insure themselves against various social risks using social insurance services. The state establishes minimum social guarantees for all segments of the population and establishes the order of provision of social services (educational, medical, legal, etc.) based on the level of income of the population through the implementation of social indexation. Provides social support to the needy on the basis of preferential social services and creates conditions for them to improve their well-being.⁶

¹ Report on Human Development. T.: 2001. p.22

² Allakhverdiyeva L.M - "Formation and development of a system of social protection of the population, taking into account the demographic characteristics of Uzbekistan". Dissertation for the degree of Doctor of Economics. T. 2002, p.37.

³ Vakhobov A.V., Zakhidova Sh.Sh., B.B. Baxtiyorov, Odinayev D.Sh., Fayzullayev J.N. Access to social work and social security: Textbook. – T.: «Economics and Finance», 2018. P.168

⁴ Romashev O.V. Social protection of workers: problems, solutions. // Social Research. –M., 2001г. №1, p.110

⁵ N.V. Nechuikina Journal: Social and Human Sciences. Social protection: concept, categories, terminology. 2018 p.146.

⁶ Bakhtiyorov B.B. Directions for improving the economic mechanism of social protection.// Dissertation for the degree of Doctor of Philosophy (PhD) in Economics ABSTRACT. 2020. 16 p.

In order to improve the welfare of the population, various laws are developed, the state provides financial support to the population, creates favorable conditions for work, ensures continuous improvement of welfare, eliminates sharp differences in education, culture, skills, income. achieves goals such as giving and preventing, creating a decent standard of living for human beings by society, as well as helping to ensure human development.

Results and Discussions

Strong social policy is the most important principle of the national model of market reforms in Uzbekistan. It covers a wide range of issues, including income regulation, employment and the formation of new labor relations, social protection and support for certain categories and groups of the population, health care development, physical culture and sports, education.¹

Social policy is a system of measures taken by the state to improve the living conditions of the population in the fields of labor market formation, employment, price and income policy, social assistance, social insurance, social services. In the era of the planned economy, there are many types of social assistance to the population, the main purpose of social protection was to provide social assistance in the form of money and subsidies to all segments of the population. In a market economy, dependence on the population is unacceptable, and the organization of efficient use of public funds plays an important role. Given the limited public funds, it is important to develop active forms of social assistance. In a market economy, social assistance should be in the form of effective microfinance. That is, microfinance programs require the active participation of the population and provide the population with income. Models of social protection are formed on the basis of the path of socio-economic development of each country.² Social protection is fully covered here. But it is difficult to cover all segments of the population by implementing social protection only in this way.

Therefore, in the process of social protection of the population, the main attention should be paid to his professional skills, ability to work. Especially in the context of transition to a market economy, it is necessary to study market relations and focus on employment of the able-bodied and incapacitated population, meeting their material needs, financial support for low-income families, as well as socio-economic development.³ It is expedient to provide social protection to the disabled and low-income population by providing them with pensions, benefits, stipends and tax cuts. According to another author, "social protection" means the process by which the state implements a targeted social guarantee in order to create favorable conditions for living and working, to help the poor.⁴

The problems of economic development in modern conditions are inevitably associated with the need to remove special attention to social issues, including the formation and improvement of the system of social protection of the population. The specificity of the creation of national systems of social protection of the

¹ Salimov Sh.Yu.-Problems of social protection and its further improvement // "Oriental Art and Culture" Scientific-Methodical Journal – (1) IV/2019. P.75.

² Abdullaeva M.K. - Directions for improving social protection and its regulation. i.f.n. Abstract of the dissertation for the degree T.: 2008, p.7.

³ Yoqubova S.Yu. Social protection of the population in the transition to market relations. Dissertation for the degree of Candidate of Economic Sciences. T. : 1994, p.22.

⁴ Zokirova N. Improving the system of social protection in a socially oriented market economy. Author's abstract for the degree of Candidate of Economic Sciences. T. : 2001, p.8.

population is due to both the socio-economic characteristics of the development of these countries and the choice of ways and methods for the implementation of the reforms themselves.

An important task is to create a comprehensive system of social protection in the world, including the solution of negative social problems arising in society as a result of market economy development, reducing their impact, achieving sustainable socio-economic development based on the principles of social justice. The priority of the social policy of the United Nations (UN), international economic organizations, nation-states is to identify the socially disadvantaged, to strengthen the targeting of their social protection. According to the International Labor Organization (ILO), in 2017-2019, 29% of the world's population benefited from social services, 41.1% of women with children became mothers, 21.8% of those unemployed at working age became unemployed, 27% of people with disabilities became unemployed. 8 percent were able to receive disability benefits.¹ The coronavirus pandemic affects a total of 2 billion people worldwide. led to unemployment in the informal sector (62% of the world's total employment, including 90% in low-income countries, 67% in middle-income countries and 18% in developed countries)². According to the World Bank, the Covid-19 pandemic crisis, which began in 2020, will affect the world economy by 5.2%, including GDP growth in developed countries by 7%, per capita income in developing and developing countries by 2.5%. As a result of the 3.6 percent decrease, 60 million people in the world. is projected to put people in extreme poverty and millions of people on the brink of poverty³.

In order to provide financial support to various social groups, including the socially vulnerable, in the context of the global "Coronavirus" crisis, research is being conducted to improve the economic mechanism of providing them with social services, and targeted anti-crisis government programs are being developed and implemented. being increased.

During the years of independence, Uzbekistan has developed a system of social protection based on the requirements of a market economy and is constantly improving it. In the context of the pandemic, the share of socially vulnerable households in total households increased from 8.0% to 21.0%. This situation makes it necessary to further improve the system of social protection and increase the effectiveness of poverty reduction programs in the country. In the pre-pandemic period, the number of unemployed in our country amounted to 1 million. While it was close to 350,000, during the pandemic this figure was about 2 million. person6. "... the pandemic could seriously affect the incomes of about 450,000 families." Improving the targeting of the social protection system is a socio-economic problem of scientific and practical significance, the provision of social services to the population, the systematization of ongoing social reforms in the fight against poverty and increasing the level of social protection.

Conclusion

Based on the research on ways to improve the mechanism of social protection, the following conclusions were drawn:

¹ World Social Protection Report 2017–2019. Providing universal social protection for Sustainable Development Goals / Technical Support Team on Decent Labor and ILO Office for Eastern Europe and Central Asia. - Moscow: ILO, 2018.7-p.

² The Covid-19 Crisis and the Informal Economy: Urgent Responses and Political Challenges. - ILO industry reference. May 2020

³ According to the World Bank <https://www.vsemirnyjbank.org/ru/news/press-release/2020/06/08/covid-19-toplunge-global-economy-into-worst-recession-since-world-war-iion-since-world-war-1>

1. Social policy consists of a set of guarantees given by the state to all its groups to improve the living standards of the population, as well as benefits and material measures provided to certain needy groups.
2. The rights of local self-government bodies in providing social assistance to the population should be further expanded.
3. The mechanism of targeted social protection should be studied in the following categories: individual address, address on the principles and indicators of the region, as well as self-addressed social protection

Depending on the type of individual address, the individual is considered individually, such as the increase of family income from poverty as a result of entrepreneurship, improving the quality of food, the modern appearance of housing. According to the principles and indicators of the region, targeted social protection is understood as the average level of welfare in the region. In order to ensure social protection, the state, in turn, takes measures aimed at continuous employment. 5. The following conclusions were drawn on the organization of public works:

- Involvement of family members in need of public works is an effective means of equalizing their consumption;
- Increases the target job description, salary level and form of payment at the expense of self-targeted funding;
- Salaries in social programs should be close to the monthly wage at market prices for unskilled labor.

6. As for the part of the population of the Republic of Uzbekistan in need of social protection, we consider it appropriate to focus on women. This process should create favorable conditions for the employment and employment of low-income, unemployed women.

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- *ILO industry reference.* May 2020
- *According to the World Bank* <https://www.vsemirnyjbank.org/ru/news/press-release/2020/06/08/covid-19-toplunge-global-economy-into-worst-recession-since-world-war-ii-on-since-world-war-1>
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WAYS OF IMPROVING THE MECHANISM OF STATE SUPPORT IN THE USE OF HUMAN CAPITAL IN AGRICULTURE

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ABSTRACT

This article presents a practical proposal on mechanisms of government support for salary subsidies for young professionals in the formation and effective use of human capital in agriculture.

Keywords: *human capital, agriculture, wages, nominal wages, government support, subsidy.*

Introduction

Agriculture is the tool for an economy that meets the country's food security and the industry's need for raw materials. In the world practice today there is an increase in demand for intellectual labor in the agricultural sector, a downward trend in demand for unskilled workers.

The draft Concept of Socio-Economic Integrated Development of the Republic of Uzbekistan until 2030 analyzes potential risks and threats that could negatively affect the sustainable development of the economy in the future. scientific and technical potential, low level of inclusion accompanied by irrational use and reduction of natural resources "[1].

Also, paragraph 3 of the Decree of the President of the Republic of Uzbekistan dated January 28, 2020 No PP-4575 states that "to ensure the attraction of funds from international financial institutions and foreign organizations to provide agricultural associations with qualified managers, marketers, agronomists, economists and other necessary specialists." [2].

For the successful development of the agricultural sector, the state support of the formation and use of human capital in agriculture is an urgent task.

Literature review on the subject

The status and development of human capital in agriculture is largely determined by the social and living conditions of the population. They create the necessary conditions for the formation of human capital in agriculture, human development, moral education.

In agriculture, human capital is formed and developed taking into account the natural climatic conditions, the place of agriculture in the economy and the potential of the agricultural sector.

"It is known that the XXI century is a century that requires intellectual wealth, high knowledge and potential. Indeed, an important criterion for the consistent development of the path of development is the specialists who have acquired modern knowledge and professions "[3].

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"Gross domestic product growth in developed countries is ensured by the contribution of 80-90 new knowledge, ie the intellectual potential of human capital, scientific advances, the introduction of new technologies" [4].

In the economies of developed countries, the process of replacing physical labor with human capital is underway, and investment in human capital is recognized as a priority for the development of the national economy.

In our study of foreign experience, for example, in order to support agricultural production in the Russian Federation, a one-time payment for young professionals, bonuses for salaries and preferential land allocation for housing for 2 years after graduation. [5].

Based on the above, there is a need to develop a mechanism of state support for the formation of human capital in agriculture by subsidizing the salaries of young professionals in the field.

Research objectives and methods

The research process used statistical, analytical, logical-thinking, economic-mathematical, graphical and other methods to develop practical proposals for government support of wage subsidies for young specialists in agriculture.

The object of research is the complex of relations that arise in the process of state support for the formation and use of human capital in agriculture in Kashkadarya region.

Scientific works of local and foreign scientists on the subject, laws and regulations of the Republic of Uzbekistan: including statistics of the Department of Agriculture of Kashkadarya region, data of the regional department of employment and labor relations, data of the regional statistics department were widely used.

Analysis and results

Research on agricultural production has shown that the majority of workers in the industry do not have a professional qualification, and there is a downward trend in the "aging" of existing professionals, replacing them with qualified personnel. This has a negative impact on the decline in labor productivity in the industry, the rational use of resources and, consequently, the results of economic activity of agricultural enterprises.

Over the next few decades, agriculture faced serious socio-economic and demographic challenges. The shortage of human resources in agriculture, the "aging" of existing qualified personnel, as well as the lack of skills of managers and specialists in the sector, leads to inefficient use of investments in agriculture, which in turn reduces the economic efficiency of the agricultural sector [3].

An important condition for the successful development of agriculture is the formation and development of human capital in this area. One of the important factors in the assessment of human capital in agriculture is the demographic assessment of human capital formed in rural areas.

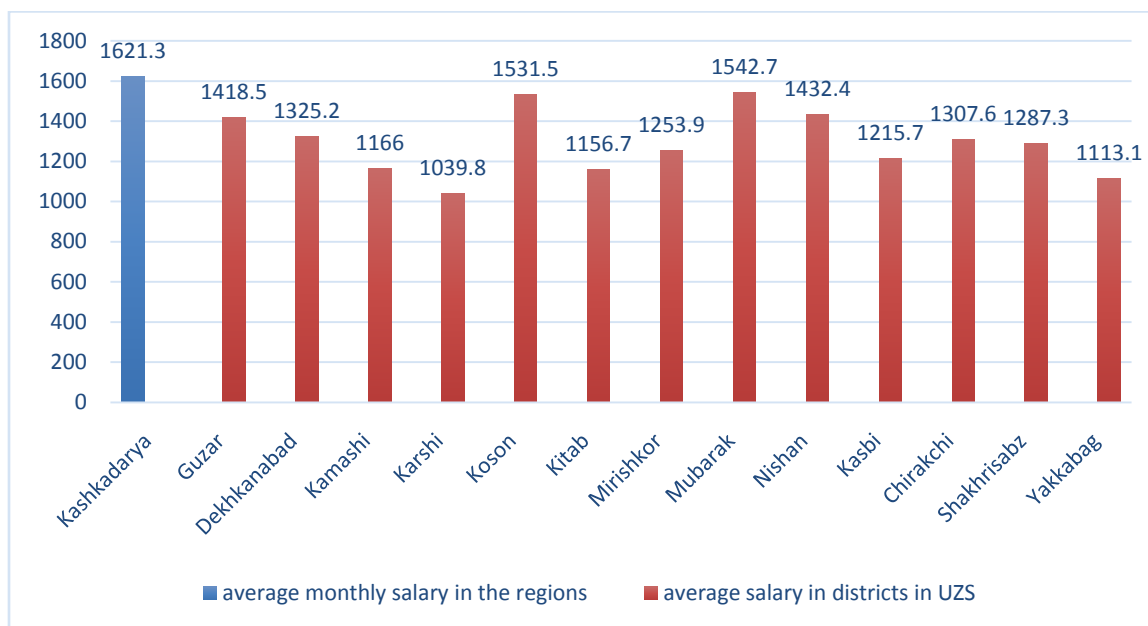
Table -1 : Analysis of demographic indicators of Kashkadarya region *[6]

t/p	Indicators	Years						Changes in %
		2014	2015	2016	2017	2018	2019	
1	Total population, thousand people	2960,6	3025,5	3089,4	3148,1	3213,3	3261,4	110,16
	including:							
	City	1214,8	1269,3	1326,6	1358,4	1383,6	1403,3	115,52
	Village	1745,8	1756,2	1762,8	1789,7	1829,8	1858,1	106,43
2	In relation to the total population: %							
	City	41,03	41,95	42,94	43,15	43,06	43,03	104,87
	Village	58,97	58,05	57,06	56,85	56,94	56,97	96,61
3	Those who are busy working in agriculture	349,7	346,80	344,60	342,30	332,90	331,8	94,88

*Author work.

Kashkadarya region has the third largest population in Uzbekistan after Fergana and Samarkand regions. The population of the region increased by 300.8 thousand people in 2014-2019, an increase of 110.16%. During the analysis period in the region, we can see that the urban population increased from 41.03% to 43.03%, while the rural population decreased from 58.97% to 56.97%, and urbanization processes intensified. During the analysis period, the number of people employed in agriculture decreased by 94.88% or 17.9 thousand people (Table 1).

Studies show that there is a shortage of qualified personnel (agronomists, zootechnicians, veterinarians, etc.) in many agricultural enterprises. There are many reasons why young professionals who have graduated from agricultural colleges do not want to return to rural areas. Low material interest is one of the main problems of employees working in this field. The geographical dispersion of villages, due to the nature of the factors influencing its socio-economic development, leads to differences in living standards and income levels of the population of the region. This is primarily due to the cost of living and the amount of wages.



Picture-1. Average monthly nominal wage in Kashkadarya region by districts (2018, soums)*[6]

*Authors work

When analyzing the average salary in Kashkadarya region, the highest amount is recorded in Mubarek, Kasan, Guzar and Nishan districts, and the lowest in Karshi, Yakkabag and Kamashi districts. Significantly, the average wage in rural areas is much lower than the average wage level in the regional economy (Figure 1). This situation, of course, has a negative impact on the living standards of the population living in rural areas and engaged in agricultural production, the development of rural human capital.

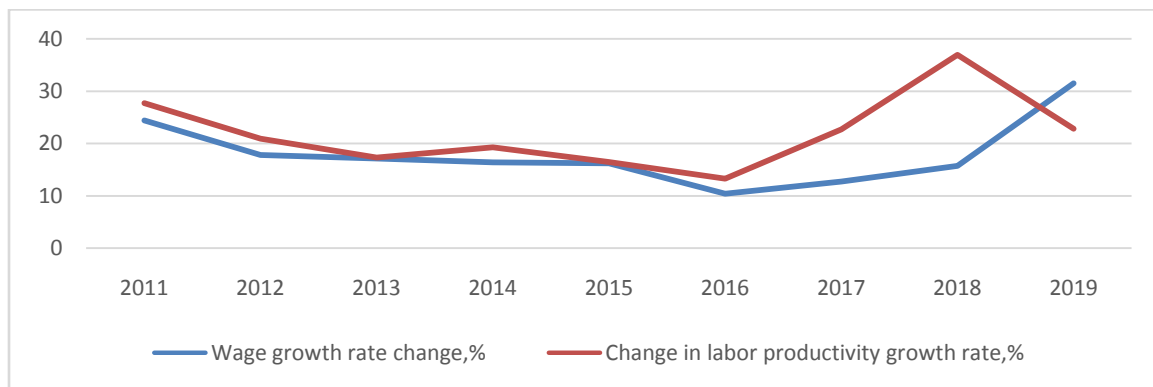
The lack of a scientifically based system of living wage indicators in Uzbekistan does not make it possible to determine the adequacy of this average wage for the rural population with many children.

In our opinion, the above-mentioned nominal average wage in agriculture is not sufficient for the minimum living standard of the population living in the village.

"According to various estimates, the share of the poor in Uzbekistan is 12-15%, which means a population of 4-5 million" [7].

It must be acknowledged that the basis for wage growth is the efficiency of production. Efficiency, on the other hand, depends on the efficient use of resources and the productivity of employees. We analyze below the figures of wage growth with the growth of labor productivity in the national economy of the country.

One of the important principles of remuneration of labor is to ensure a level of growth of labor productivity, a situation that is ahead of the level of growth of wages.



Picture-2. Analysis of the relationship between the growth rate of wages in the national economy of Uzbekistan and the growth rate of labor productivity *[8]

*author's works

When we analyze this situation in our national economy, this principle fully fulfilled its function in 2011-2018, but by 2019, the wage rate is growing at a higher rate than labor productivity, which leads to a violation of the principle of remuneration (Picture-2).

Table-2 : Average nominal wage in sectors and industries of the region, soums (2018) *[6]

№	Indicators	Average nominal salary, thousand soums
1	Healthcare	1008,1
2	Art, entertainment and recreation	1265,5
3	Talim	1273,0
4	Information and communication	1801,4
5	Trade	1964,0
6	Construction	2007,5
7	Transportation and storage	2326,0
8	Industry	2639,5
9	Financial and insurance activities	2850,8
10.	Agriculture	1555,3

When analyzing the average monthly wages of workers in Kashkadarya region by type of economic activity, we conclude that the wages of agricultural workers are the lowest and are lower than those of trade, information and communication, construction, transportation and storage, industry, finance and insurance. possible.

It seems that there is a need to improve the state support mechanism to ensure the sustainable development of the agricultural sector, food security and a decent life of the rural population.

As a result of the study, it was determined that the state support of the formation of human capital in rural areas should take into account the territorial location of districts in Kashkadarya region. As Kashkadarya region occupies a large area, the income of agricultural workers also depends on their proximity or distance to the regional center.

The analysis shows that the state assistance in equalizing the income of young professionals in the districts of Kashkadarya region is of great importance. The existing mechanisms of state support for the recruitment and retention of young professionals in rural areas do not take into account the territorial remoteness of the districts from the regional center. Economically efficient development of the agricultural sector requires the introduction of new approaches, mechanisms and indicators that take into account the geographical location of the regions.

Conclusions and suggestions

The purpose of state regulation of agrarian policy is not only to attract young graduates to the agricultural sector, but also to ensure that they live in rural areas and work permanently in agricultural production.

It is necessary to provide financial incentives to young professionals in agriculture and increase their monthly salaries to meet their living needs. To overcome economic inequality, it is proposed to improve the salaries of young professionals within five years from the date of commencement of agricultural production, by covering the difference between the nominal average wage in the regional economy and the average wage in agriculture.

To do this, we recommend using the following formula:

$$NAW_{\text{areal (region)}} \times 2 - NAW_{\text{agricultural enterprise}}$$

By erda; $NAW_{\text{areal (region)}}$ - is nominal average wage in the regional economy, soums

$NAW_{\text{agricultural enterprise}}$ -average nominal wage of an agricultural enterprise, soums.

Studies show that due to the need for qualified personnel in the field of agriculture, in order to attract and maintain young professionals in rural areas and agricultural production, they need at least five years with one-time payments, salary bonuses and graduates of educational institutions. by concluding a contract, we offer to provide him with a guarantee of a plot of land for the construction of a house or a house on preferential terms.

In order to provide the agricultural sector with qualified labor force in the districts of Kashkadarya region, the following table shows the subsidies of wages of agricultural enterprises depending on the distance or proximity to the regional center.

Table-3 : The volume of state support for subsidizing the salaries of young professionals in agriculture in Kashkadarya region

Group	Distance, km	K _{far}	Districts	Need to specialists with higher and secondary-specialized educational qualification	One-time payment for per employee		The amount of the monthly wage subsidy per 1 employee	
					HE	SSE	HE	SSE
1	0-40	0,2	Karshi	17	0,5	0,25	2,11	1,05
			Koson	25			1,11	0,56
			Nishan	24			1,26	0,63
2	41-60	0,3	Kamashi	19	1,0	0,5	1,78	0,89
			Guzar	20			1,75	0,88
3	61-80	0,4	Chirakchi	14	1,5	0,75	1,48	0,74
			Yakkabag	19			1,91	0,96
			Mirishkor	36			1,58	0,79
			Kasbi	26			1,66	0,83
4	81-100	0,5	Mubarak	30	2,0	1,0	1,10	0,55
5	101-юқори	0,6	Shakhrisabz	16	2,5	1,25	1,51	0,76
			Kitab	12			1,80	0,90
			Dekhkanabad	13			1,44	0,72

Conclusion

In the case of wage subsidies, the distance between the Kashkadarya regional center and the location of the agricultural enterprise is determined and the distance coefficient is given. Based on the distance coefficient, the districts of Kashkadarya region are grouped and the coefficient of one-time payments per

year is set at the level of the average nominal wage for five years. Payment is given as a coefficient in proportion to the average nominal wage in the regional economy.

Wage bonuses are calculated by doubling the average nominal wage level of the region's economy using the above formula and subtracting the average nominal wage of an agricultural enterprise.

When making the above payments, taking into account the level of education of specialists, it is recommended to make payments to secondary special personnel in the amount of 0.5 coefficient to personnel with higher education.

It is advisable to allocate a plot of land on preferential terms for the construction of a house or a house, depending on his needs, by concluding an employment contract with the person entering the agricultural enterprise for at least five years.

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ADVANTAGES AND DISADVANTAGES OF THE ORGANIZING FINANCIAL INDUSTRY GROUPS OF AGRICULTURAL MACHINERY IN UZBEKISTAN

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ABSTRACT

In this article the organizational importance of financial industry groups in agricultural machinery, their role in the economy and financial relations, as well as their impact are discussed.

Key words: *Industrial Cooperation, Agricultural Machinery, Industrial Financial Group, Effectiveness, Innovative Clusters*

Introduction

In the context of modernization of the country's economy, the changes in the financial sector are one of the biggest steps towards the development of economic mechanisms with a new stage. The organization of financial industry groups can play a significant role in the deeper integration of the economy. We begin by highlighting the advantages and disadvantages of financial industry groups in the field of machinery, first by studying the goals of financial industry groups.

The goals of the financial industry groups are to intensify the changes taking place in the economy. The impact of this on the economy of the engineering sector today is very important for the country's agriculture and architecture and construction. The fact that the purchase of his machines to use the services of the engineering industry requires large sums of money can lead to financial instability for many businesses. The organization of the financial industry group will have a positive impact on the development of trade, logistics, and money flow. In the agricultural sector alone, the use of 12 service vehicles of 50 types by 2 or more enterprises will increase the production of melons in agriculture by 4% and reduce their prices by 1.8% as a result of the organization of services in Jizzakh region.

Materials and methods

The organization of financial industry groups will stimulate the development of changes in the financial sector in improving the investment situation. If we change the organization of small enterprises in the construction sector in the last 5 years and the duration of their service, we will dissolve the importance of the need for financial industry groups (Figure 1).

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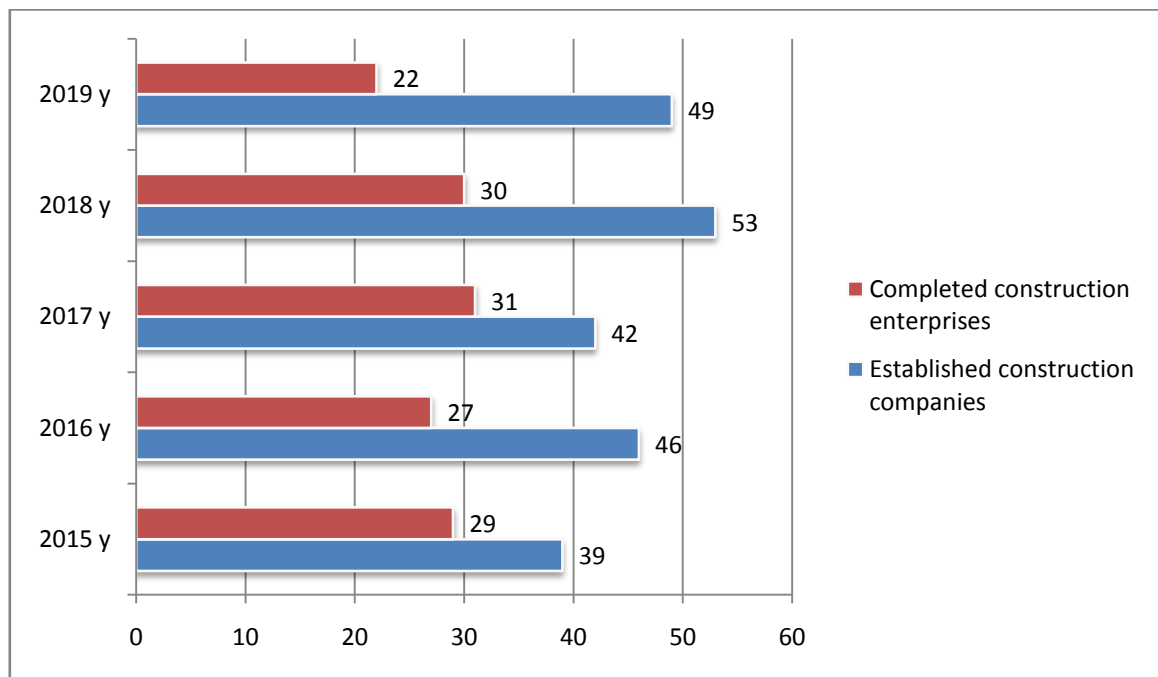


Figure 1. Small construction enterprises established and completed during 2015-2019.

Source: State Statistics Committee of Uzbekistan

In recent years, the number of construction works in our country is growing. The study of the reasons for the establishment and liquidation of enterprises in Figure 1 revealed in the following pie chart:

Source: Based on the author's research.

The organization of financial industry groups eliminates the following problems in improving the investment climate:

1. Ensuring the integration of established enterprises in ensuring the financial stability of enterprises.
2. A sharp decrease in the risk of carrying out leasing operations.
3. Development of the bank to ensure the stability of financial relations with small businesses.
4. To prevent the need for equipment from negatively affecting work efficiency.

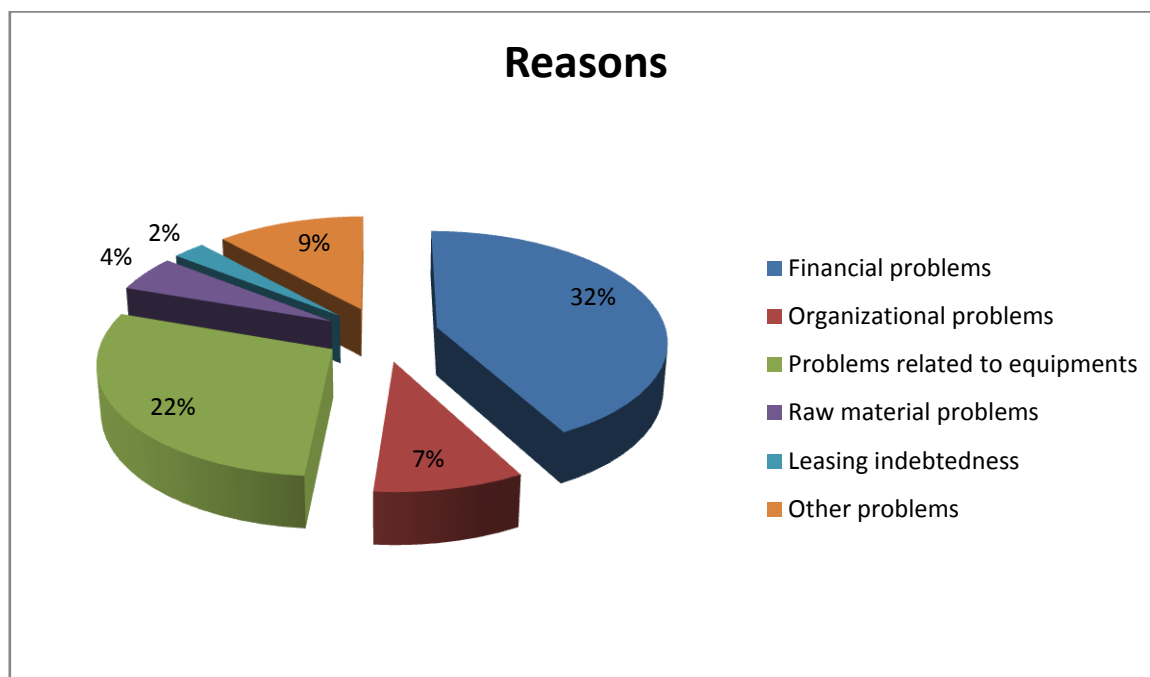


Figure 2. Reasons for the liquidation of small construction enterprises in 2019.

The advantages are distinguished by the fact that there are disadvantages, so the disadvantages of financial industry groups can be:

1. Weak asset consolidation rate.
2. Members of the financial industry group and the pursuit of autonomy in corporate governance;
3. Short-term planning of financial industry groups to pursue unsustainable property structures with industrial sectors.
4. The superiority of shareholder interest in improving corporate governance strategy.

All of the above means that financial industry groups are formed and serve for temporary use. This leads to a decrease in the confidence of these entrepreneurs to use their services.

The role of financial and industrial groups in the development of machine building in our country is high, which is a greater share of enterprises of "Uzavtosanoat" JSC, mainly in the cultivation of cotton, processing of cotton fields, machinery for their enrichment. However, in recent years, melons in our country occupy more land than cotton fields, which leads to leasing operations of farms. Increased risk in the cultivation of agricultural products as a result of today's climate change and changes in environmental conditions creates financial difficulties in the purchase of equipment on a leasing basis. The organization of financial industry groups in the automotive industry creates opportunities for farmers to purchase equipment without leasing operations.

At the same time, it gives a strategic character to the increase of home-based activity of JSC "Uzagrotexmash" and "Uzagroservis" and its independent activity as a socio-economic organization.

Another positive aspect of financial industry groups is the development of competitiveness of local goods. The observation of the participation of financial industry groups in the production of domestic goods will stimulate competition and demand in its intersectoral development. This chain is specific to financial industry groups with a sustainable corporate governance strategy. Their future will be marked by the growth of their assets, their development as a separate organization, and their specialization in expanding their services. These results have had a significant impact on China, Japan, Singapore and Malaysia. Their main experience is in running internet finance industry groups. Internet finance groups have been instrumental in the formation of internet industry finance groups. This has contributed to the development of international economic relations. It will also develop trade and foreign exchange turnover as a result of increased interest of local entrepreneurs in cooperation with foreign financial industry groups. In addition to its role in reducing competitiveness, it has strengthened corporate strategy and prevented corporate chaos as a result of taking into account international relations in ensuring financial stability¹.

The formation of financial industry groups in recent years is aimed at the development of innovative activities in countries around the world. We can see that the newly formed financial industry groups will be included in the Forbes magazine's "Financial Conglomerate" rating and will have live advertising, which will lead to an increase in relations with investors². As a result of the fact that innovation is considered as an activity of strategic importance for each enterprise, all entrepreneurs try to carry out their innovative activities in parallel with the production and provision of services. We can also see the significant impact of the formation of the financial industry group on scientific and technological progress. The financial conglomerate is characterized as an accelerator of modernization of the financial market, its digitization, with the establishment of an industrial financial group. Starting with the focus on service in the engineering sector will lead to localization, diversification and the development of innovative clusters. This increases the demand for the organization of financial industry groups, given that it is relevant not only for engineering, other industries and sectors in our country.

Most economies in highly developed countries are analogues of industrial financial groups - transnational corporations. The need for large-scale research of financial and industrial complexes associated with these processes and the use of extensive technological potential, the expansion of industrial cooperation means the aspiration of enterprises to a new stage of development.

Today, the world has a great deal of experience in creating and developing financial and industrial groups, many approaches to their formation have been developed, and various organizational forms can be used to gain additional competitive advantages from connecting industries and create opportunities to focus financial stability on scientific and technological progress.

The following opportunities are created by the financial industry groups for the formation of scientific and technical progress for a group of enterprises:

- The effectiveness of research related to the ability to implement your long-term strategy and see and determine the future state of the market;
- Organization of collaborative production and economic activities, increase of innovative activity in the implementation of joint research and production programs;

¹ <https://industry-hunter.com/marketing-dla-promyslennyh-predpriatij-idea-produkt-prodvizenie>

² http://www.spekulant.ru/archive/Ot_holdingov_k_konglomeratam.html

- Increase the consistency of actions of enterprises in the process of consolidation of production in the field in order to deepen specialization and development of cooperative relations, saving costs associated with cooperation in the field of supply and marketing;
- Expanding the range of investors, strengthening relations with financial institutions, as well as pooling investment resources, efficient allocation of investment resources, directing them to the most preferred and needed areas;

Results

As a result of the above, transfer prices allow for savings between costs due to large-scale production and changes in prices to reduce losses associated with changes in market conditions. This, in turn, reflects the need to reduce the need for working capital and the use of loans, promissory notes, etc. for the goods. This impetus will ensure the sustainable development of the financial sector in the country's economy, while the development of the domestic market environment and the strengthening of relations with foreign markets are directly related to the financial market.

The role of financial industry groups in scientific and technological development is that the exchange of experience and skills leads to effective results by complementing each other. It is manifested as an intellectual investment, in which the strategic features of corporate relations play a key role.

Conclusion

The formation of financial industry groups in the field of machinery was highlighted by the above advantages and disadvantages. Uzbekistan's position in the free economic zones is also among the top 10. The level of using machinery and equipment in our country is 59% in the agricultural sector alone. Accordingly, the development of financial industry groups in the field of machinery will contribute to the further intensification of the economy in the country due to the domestic investment climate, the development of financial markets and the intensification of the competitive environment due to the expansion of enterprises.

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METHODS OF FINANCIAL STABILITY TAXES OF THE SUBJECTS OF TOURIST ACTIVITIES

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Kayumova Gulshan Asrorovna²

ABSTRACT

One of the current, not yet solved problem is the problem of optimizing the tax burden, which is based on the analysis of the dependence of economic agents ' behavior to changes in the tax pressure and must take into account the possibility of opportunistic action on their part, the solution of which will allow to improve the revenue side of the budget. The tax burden for a particular entity is defined as the share of taxes in sales revenue. The main difficulties in assessing the level of tax burden on the enterprise due to the heterogeneity of taxes and the level of their impact on the economy. First, the tax burden on taxes paid at cost must be measured by the specific weight of these taxes as part of cost. Secondly, taxes paid at the expense of the financial results of the company's activities should be compared with the profit from sales of the main activity.

Keywords: *tax system, tourism industry, structure and development of tourism, value added tax, impact of taxes, the financial stability, the subjects of tourist activities.*

1. Introduction

In today's civilized society, taxes are the main form of government revenue. In addition to this purely fiscal function, the tax mechanism is used for the economic impact of the state on social production, its dynamics and structure, and the financial well-being of small and medium-sized businesses. Thus, the tax burden has a significant impact on investments in fixed assets [5]. Thus, the formation and development of the taxation system of small and medium-sized businesses, which include most of the enterprises of the tourism industry, is one of the main tasks in the development of tax policy of the state. The market economy that exists in the Republic of Uzbekistan has influenced the system of economic relations and has become the basis for the development of private entrepreneurship. By promptly responding to changes in market conditions and having rapid capital turnover, small businesses have an impact on the development of the national economy and contribute to the stable formation of tax revenues for the budget, both at the regional and national levels. The aggregate of taxes and fees is considered to be the General tax regime. At the same time, along with the General tax regime, there are special tax regimes, the application of which exempts firms and entrepreneurs from paying a number of regional and local taxes and fees. [6] in General, tourist organizations can currently operate under four main tax systems: - the General tax system; - the simplified tax system (USN); - the taxation system in the form of unified tax on imputed income (UTII); - the patent system of taxation. Tour operators and travel agents have the right to apply the General taxation

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system or USN, while enterprises that directly provide services to tourists outside their permanent residence can also use the unified tax system (for example, providing catering services, temporary accommodation and accommodation services) and the patent taxation system (for example, providing motor transport services for the transportation of passengers by road, manufacturing Handicrafts). The most complete list of compliance of types of activities and tax systems is given in table 1.

Table 1. Compliance of activities in the tourism industry with tax systems

Taxation system	Subject of tourism / type of activity in the field of tourism
General taxation system.	Tour operators, travel agents, carriers, accommodation facilities, catering companies, etc.
Tax system in the form of a single tax on imputed income	Tourist enterprises engaged in: - the provision of transport services for passengers; - provision of catering services through a public catering, having a hall of service of visitors; - provision of catering services through a public catering, not having halls of service of visitors; - providing services for temporary accommodation; - etc.
The patent system of taxation	Tourist enterprises that are individual entrepreneurs that provide: - provision of motor transport services for the transportation of passengers by road; - leasing (hiring) of residential and non-residential premises, cottages, land plots owned by an individual entrepreneur on the right of ownership; - production of Handicrafts; - porters' services at railway stations, bus stations, air terminals, airports, sea and river ports; - provision of services for the transportation of passengers by water transport; - hunting management and hunting; - rental services; - excursion services; - catering services provided through catering facilities with an area of the customer service hall no more than 50 square meters for each catering facility; - catering services provided through catering facilities that do not have a customer service hall; - etc.

2. Material and Methods

Taxes, as part of the financial and economic system, are a key element of state regulation of the economy. When forming the country's tax system, the state aims to use it as part of its financial policy. In this regard, it becomes a relatively independent direction – tax policy, which is a set of financial, economic and legal measures of the state to create a tax system of the country for financial support of the activities of the state, individual social groups of society, as well as support the sustainable development of the country's economy by means of distribution and redistribution of financial and other resources.

The main goal of the state's tax policy is to create a mechanism for an effective tax system that ensures the development of business activities, high tax collection and, in General, improving the welfare of the population. [8] The implementation of an effective tax policy is based on the interrelated functions inherent in taxes (Figure 2).

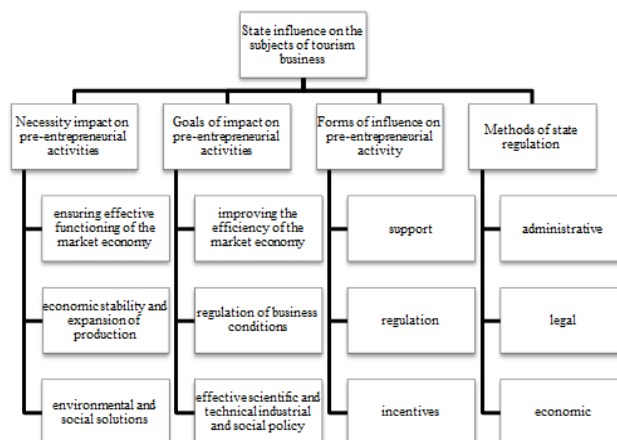


Fig.1. The complex forms and methods of state regulation of activity of subjects of business

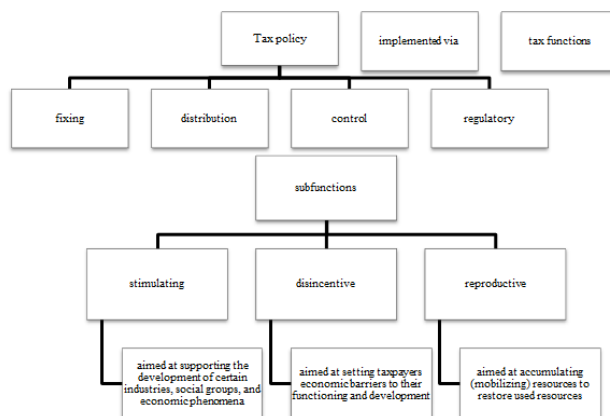


Fig. 2 Tax functions through which effective tax policy implemented

The essence of special tax regimes is to replace the majority of taxes for a certain category of small and medium-sized enterprises with a single tax, which is calculated for accounting and tax periods. Features of taxation of small and medium-sized businesses consists in replacing the payment of a number of taxes with a single tax (Figure 3).

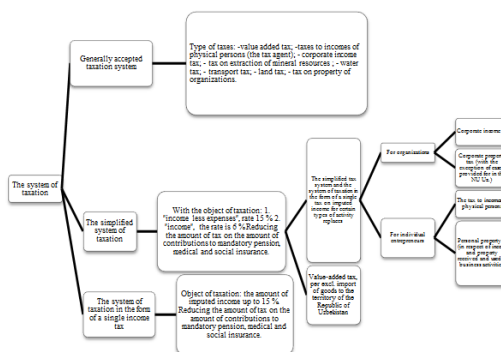


Fig. 3. Features of taxation of small and medium-sized businesses

The simplified tax system is the most popular among companies in the tourism industry. Small business entities have the right to apply the simplified tax system on a voluntary basis, subject to certain restrictions shown in figure 4.

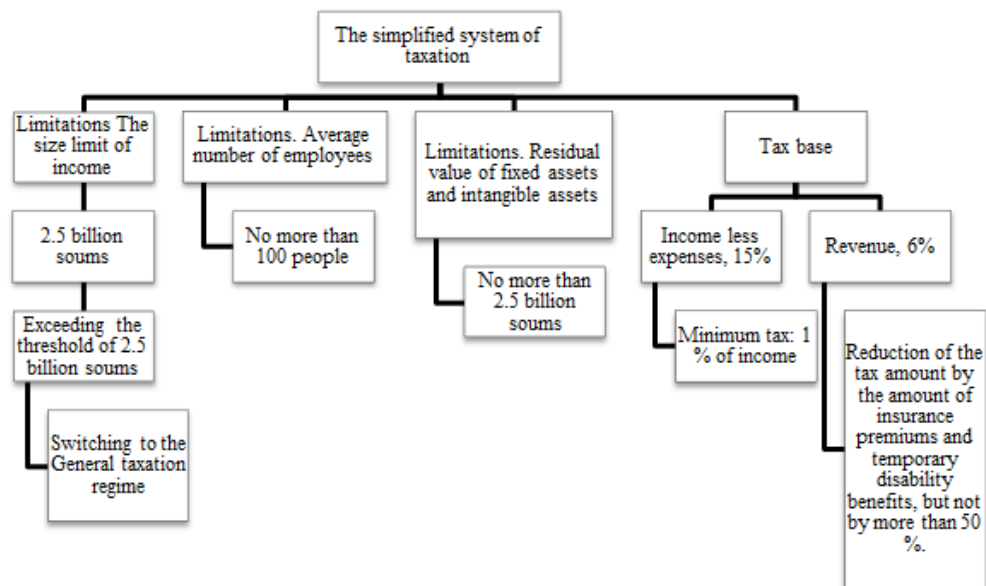


Fig. 4. Features of the simplified taxation system

Organizations applying the simplified tax system can choose the object of taxation at their discretion, based on the tax legislation. This can be: - income; - income reduced by the amount of expenses. [6] In the tax base "income reduced by the amount of expenses", the minimum amount of a single tax is set, calculated at the rate of 1% of income. If the minimum tax exceeds the tax calculated according to the tax base "income reduced by the amount of expenses", the minimum tax is paid. A taxpayer applying this special tax regime has the right to include in the following tax periods the amount of the difference between the amount of minimum tax paid and the amount of tax calculated in the General procedure in expenses when calculating the tax base. [6] The rate of 6% for a single tax paid in connection with the application of the simplified tax system is provided for the object "income". At the same time, organizations that have chosen the "income" tax base reduce the unified tax by the amount of insurance premiums, mandatory social insurance for temporary disability and maternity, and the amount of temporary disability benefits paid to employees, but not by more than 50%, figure 5.

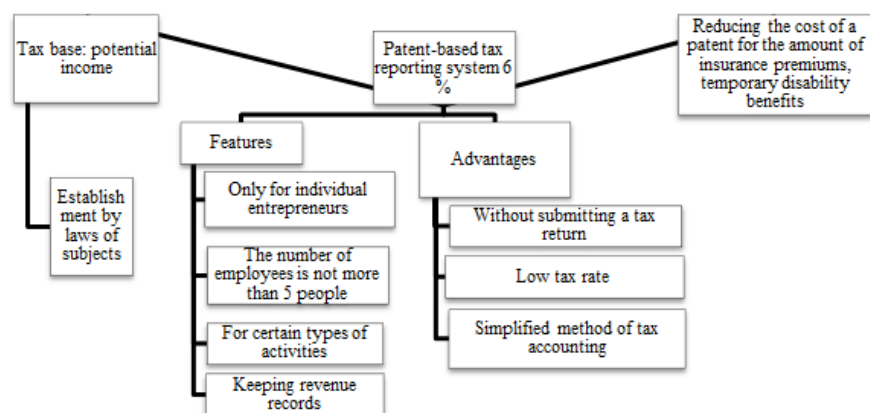


Fig.5. Features of application of the simplified taxation system by small businesses based on a patent

3. Results

The patent system provides for the amount of potential annual income that an individual entrepreneur can receive for each type of business activity. The tax period is the period for which the patent was issued. Taxpayers pay tax at the place of registration with the tax authority in the following terms according to articles 233, 294, 366, 368 of the tax code of the Republic of Uzbekistan. Also, small businesses have the right to apply the tax system in the form of a single tax on imputed income for certain types of activities. The amount of tax on imputed income does not depend on the amount of revenue or profit, but only on physical indicators – the area of premises occupied, the number of employees, etc. (Fig. 6).

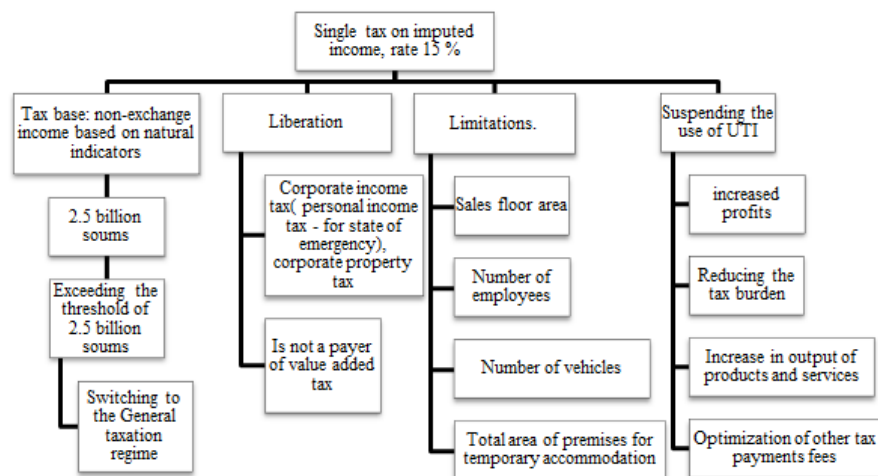


Fig.6. Features of applying the unified tax on imputed income

The main advantage of the unified imputed income tax is the exemption from paying a number of taxes: corporate income tax, corporate property tax, except in cases stipulated by the tax code of the Republic of Uzbekistan. Individual entrepreneurs, accordingly, are exempt from the obligation to pay personal income tax and property tax. In addition, organizations and individual entrepreneurs that apply a single tax on imputed income are not payers of value-added tax. Organizations, in connection with the application of the single tax on imputed income, are not exempt from accounting. Also, the advantage of the unified tax on imputed income is that the tax amount is reduced by the amount of insurance premiums for mandatory pension insurance paid (within the calculated amounts) for the same period of time, as well as the amount of insurance premiums in the form of fixed payments paid by individual entrepreneurs for their insurance, and the amount of temporary disability benefits paid to employees, but not more than 50%. [6] the Totality of the presented tax systems form the current state of the issue under consideration-tax incentives for businesses and, in particular, for enterprises in the tourism industry. When considering the operation of these tax systems on specific examples, it can be concluded that the greatest tax burden is borne by business entities that apply the General tax system. An important role in this aspect is played by indirect tax-VAT. However, it is necessary to take into account the possibility of offset of incoming VAT, which is provided by the tax code of the Republic of Uzbekistan. Thus, if an enterprise purchases services with VAT included in their cost, then when selling its own services, which are formed on the basis of purchased services, it can accept VAT deduction for the purchased services in full, thereby reducing the amount of calculated VAT payable to the budget. Despite the existence of several special tax regimes in the Republic of Uzbekistan that help reduce the tax burden of small and medium-sized businesses, the issue of attracting private capital to domestic tourism, which needs state support and incentives, remains relevant. Since the state currently pays little attention to tax incentives for domestic tourism in the Republic of Uzbekistan, the tax system currently being implemented is a significant constraint on the development of the tourism industry and requires a review of a number of tools and implementation mechanisms. [3] moreover, tax incentives can be directed at both tourist organizations and tourists themselves, encouraging them to buy more domestic tourist products. Taking into account the main components of the tourist product, which largely form its final cost for the final consumer, it seems appropriate to divide the subjects of the tourist market, which will be targeted by tax incentives, into the categories shown in figure 7.

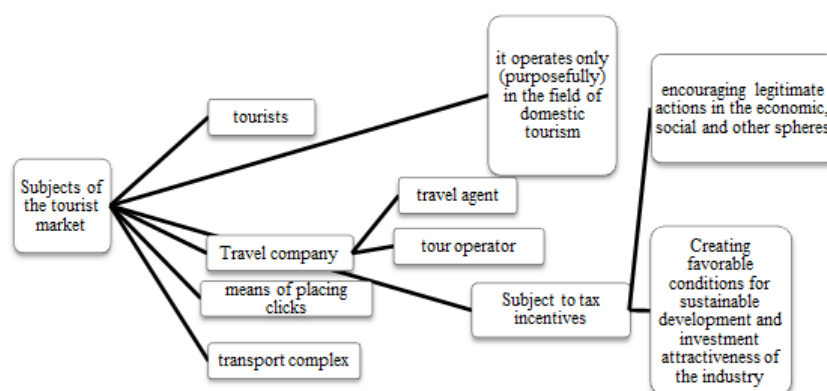


Fig.7. The subjects of tourist market, which goes tax incentives

We will present the most significant measures of tax incentives for the designated categories of subjects of the tourist market in the context of domestic tourism, as the most vulnerable sector of the tourism industry: 1. for tourists: - introduction of the "recreational deduction" to reduce the tax burden on personal income tax. The amount of deduction is determined depending on the time of year of travel. Temporary differentiation will help to equalize domestic tourist flows, reduce the influence of seasonality in some destinations, and promote new forms of recreation. 2. For travel agencies: - special tax regime providing for the objects of taxation "income Agency fee" and the rate at 5% for travel agents and "the incomes reduced by size of expenses" and interest rate at 10% for tour operators, provided that the proceeds of sale of the tourist product in the field of domestic tourism is at least 50% with a consequent reduction in the rate by 1 percentage point while increasing the share 10% down to 2% and 7% respectively.; - extension of the patent taxation system to travel agents (registered as individual entrepreneurs) that do not have branches and divisions, with an average number of employees – up to 2 people inclusive. With the establishment of the amount of potential annual income that an individual entrepreneur can receive. 3. for accommodation facilities: - full exemption from property tax of legal entities and land tax for new accommodation facilities for a period of 10 years from the date of their commissioning; - reduction by 50% of the transport tax rates established in the region for vehicles used for tourist services. 4. for the transport complex: - application of the VAT rate at the level of 0% for domestic transport of organized groups of tourists by all modes of transport; - reduction by 50% of the transport tax rates established in the region in respect of vehicles used for tourist services. [1, 5] it is Assumed that these measures will be implemented in stages with mandatory testing in the framework of pilot projects in regions with high tourist potential (the most attractive and least developed in terms of tourism). This will allow first of all to assess the economic efficiency of implementing measures and adjust their parameters so that they meet the requirements of both the development of the industry (increasing the domestic tourist flow, popularizing recreation within the country, restoring competitive advantages) and ensuring the profitability of the budgets of the Republic of Uzbekistan. More detail should be given to the development of a special tax regime. The introduction of a special tax regime for a particular industry is not new for the tax system of the Republic of Uzbekistan (there is a tax system for agricultural producers), and given the fact that the tourism industry can bring significant revenues to the state, which potentially exceed the income of all other economic sectors, the development of a special tax regime for tourism enterprises seems justified and relevant. Special tax regimes are currently one of the most effective tools for tax incentives for small and medium-sized businesses in the Republic of Uzbekistan[7]. At the first stage of implementation of such a system, it is planned to cover tourist companies that carry out their activities in the field of domestic tourism. The sphere of domestic tourism is most profitable for the state in order to generate revenue to the budget, since all subjects of this market are located on the territory of the country and pay all legally established taxes and fees, in addition, such enterprises create additional jobs, ensuring the overall functioning of the economy without withdrawing funds and other assets abroad. It is planned to introduce a Chapter of the tax code of the Republic of Uzbekistan "taxation System for domestic tourism enterprises", which will ensure the following positive results: - creation of favorable conditions for intensive sustainable development of the domestic tourism industry; - significant simplification of tax accounting for tourism organizations; - elimination of double interpretation of the norms of the tax code of the Republic of Uzbekistan in connection with the use of specific concepts in the field of tourism; - reducing the tax burden on travel agents and tour operators in order to encourage them to develop and promote domestic tourism; - stimulating the increase in sales of domestic tourist products. Due to the lack of a clear definition of the concept "favorable conditions for development" in the national economic literature, in the context of the issue under study, "creating favorable conditions for intensive development" is

considered as achieving a high level of profitability in the industry by stimulating investment and increasing sales of domestic tourism products. Only an enterprise or individual entrepreneur whose revenue for the last economic year consists of at least 50% of the proceeds from the sale of a tourist product in the sphere of domestic tourism to citizens of the Republic of Uzbekistan can become a tax payer under the tax system for domestic tourism enterprises. In addition, the average number of employees of the company should not exceed 20 people for the tax period for a tour operator and 5 people for a travel agent. The procedure for calculating and paying tax within the tax system for domestic tourism enterprises for tour operators is shown in figure 8.

For travel agents the object of taxation, would be included as "income Agency fee", so the tax calculation procedure will be greatly simplified along with the fact that removes the possibility of ambiguous interpretation of norms of the tax code of the Republic of Uzbekistan and secured according to the specific activities of tourism agencies that receive their income mainly in the form of an Agency fee from the tour operator, despite the fact that the vast majority of cases, tourists form their revenue corresponding to the full value of tourism products, which is then transferred to the tour operator after deducting the agency fee, (Figure 9)

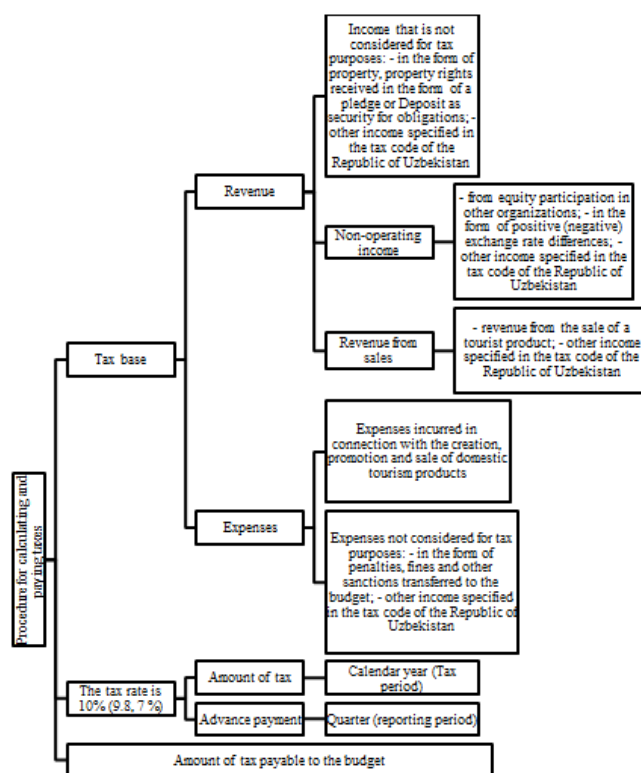


Fig.8. The order of calculation and payment of tax by operators in the framework of the taxation system for enterprises in the sphere of domestic tourism

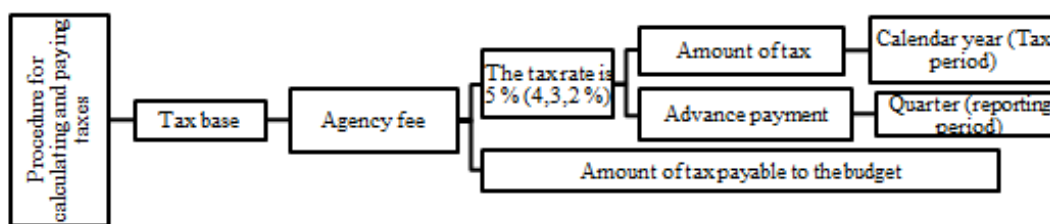


Fig.9. Procedure for calculating and paying tax by travel agents within the tax system for domestic tourism enterprises.

One of the most vulnerable parts of the tourist market is travel companies, which, in our opinion, need special attention in the context of the strongest tightening of business seen in recent years. The tour operator and the travel agent are complementary subjects of the tourist services market, while at the moment the travel agent's activity is impossible without interaction with the tour operator, but not Vice versa. In our view, it is also appropriate to establish requirements for the share of revenue from domestic tourism in the total amount of their revenue in order to support enterprises operating in the field of domestic tourism. Table 2 shows the proposed classification of domestic tourist enterprises and the requirements that will allow them to receive state support in the form of tax incentives.

Table 2 Classification of domestic tourism enterprises

Type of business	Requirements and conditions for an enterprise to apply tax incentives
Tourist accommodation facilities	They are located, operate and have state registration on the territory of the Republic of Uzbekistan. They accept citizens of the Republic of Uzbekistan on the terms of charging fees at the level of up to 80% of the fee set for persons who do not have citizenship of the Republic of Uzbekistan, or stateless persons. Revenue for the last business year is not less than 25% of income from citizens of the Republic of Uzbekistan both for accommodation and additional services provided in the accommodation facility.
The enterprises of sphere of leisure for tourists	They are located, operate and have state registration on the territory of the Republic of Uzbekistan. The revenue for the last economic year consists of at least 50% of revenues from servicing organized tourist groups, which include more than 50% of citizens of the Republic of Uzbekistan.

Transport support for tourism	They have state registration on the territory of the Republic of Uzbekistan. Perform flights to cities of the Republic of Uzbekistan, or to cities of the Republic of Uzbekistan and abroad, provided that at least 50% of the flight program is carried out in cities of the Republic of Uzbekistan. Revenue for the last business year consists of at least 25% of revenue from servicing passengers – citizens of the Republic of Uzbekistan who fly within the territory of the Republic of Uzbekistan.
Tour operator	They have state registration on the territory of the Republic of Uzbekistan. Revenue for the last economic year is not less than 50% of the proceeds from the sale of tourist products in the field of domestic tourism to citizens of the Republic of Uzbekistan.
Travel agent	They are located, operate and have state registration on the territory of the Republic of Uzbekistan. Revenue for the last economic year is not less than 50% of the proceeds from the sale of tourist products in the field of domestic tourism to citizens of the Republic of Uzbekistan.

4. Discussions

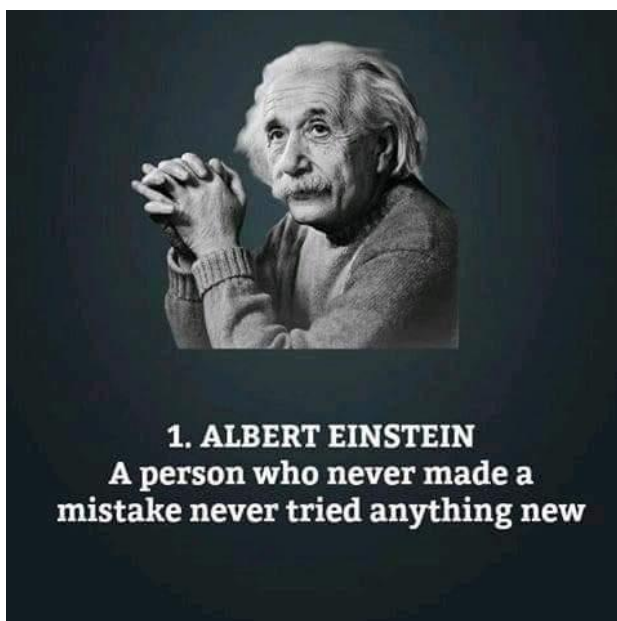
It is planned that advance payments for taxes under the tax system for domestic tourism enterprises will be paid no later than 25 calendar days from the end of the reporting period (half – year – for travel agents, quarter-for tour operators). It should also be noted that as part of the implementation of the tax system for domestic tourism enterprises, amendments are also required to the Law of the Republic of Uzbekistan on Tourism of June 21, 2019 [9], which will limit the currently spreading illegal schemes of interaction between travel agents and tour operators, when the transfer of funds is depersonalized through payment terminals, and will ensure a significant increase in the protection of tourists from fraud and other adverse consequences. It is essential that the transition of travel agents and tour operators to the tax system for domestic tourism enterprises will be carried out by them voluntarily on the basis of their own will, taking into account the compliance of the criteria put forward. Before applying a particular tax system, businesses will need to conduct an analysis of its effectiveness. At the same time, the focus should be on improving financial performance, rather than reducing tax payments. Along with the positive aspects of using the proposed tax system, it is necessary to note the possible risks of its implementation. Thus, it is possible to exacerbate the following problems that already exist for agricultural producers within the existing tax for this industry: - reducing the effectiveness of the special tax regime due to a closed list of expenses that are taken into account for the purpose of calculating the tax within the tax system for domestic tourism enterprises (possible solution – the maximum expansion of the list of expenses recognized in taxation, or the absence of restrictions on expenses, if there is an economic justification for their necessity for the formation, promotion and sale of tourist products); - an increase in the disparity of prices for tourist products and tourist services in the amount of VAT, which occurs in conditions when suppliers of tourist services are VAT payers, and tour operators that form tourist products from these tourist services are exempt from VAT due to the transition to the taxation system for domestic tourism enterprises (a possible solution is to exempt suppliers of tourist services from VAT, or expand the special tax regime to extend it to suppliers of tourist services in the field of domestic tourism). The main risks in implementing the proposed measures: -

information risk (ignorance, uncertainty); - risk of the tax process (misinterpretation of tax obligations, errors in tax accounting and miscalculations in tax planning); - reputational risks (formation of a negative image of stakeholders about the financial stability of the organization); - risk of inefficiency of the new tax regime (problems of tax administration, demand for taxpayers, negative effect on the state). However, if domestic tourism enterprises fall under the special tax regime, it will be possible to choose the most appropriate regime in the current market conditions, geopolitical situation and other conditions. The importance of applying any incentives in tax relations is to ensure that the state receives a deferred financial benefit with an outstripping positive social and investment effect. The implementation of these measures will contribute to the formation of favorable conditions for the functioning of the domestic tourism industry in the Republic of Uzbekistan, which currently needs state support, tax incentives, as well as the creation of simplified forms of both taxation and accounting and reporting. [1] the Proposed approach to classification allows us to support domestic tourism enterprises by encouraging them to increase the domestic tourist flow, promote and popularize national recreational and cultural sites, and form a sustainable development of the entire tourism industry, even in conditions of temporary isolation of the state. In addition, the submitted requirements and conditions can be ranked in proportion to the amount of tax benefits received, which will also allow companies to be differentiated in order to ensure tax fairness.

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PECULIARITIES AND MODERN ASPECTS-ADVERTISING IN DIGITAL ECONOMY

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ABSTRACT

Nowadays, advertising has become a huge industry because of the large number of products and services being offered. As it plays an imperative role for both manufacturers and consumers, advertising lets the business gain more customers, thereby increasing business turnaround. This article analyzes the key role advertising plays in communication enterprises and scrutinizes the opportunities and their essence particularly in ICT field. The purpose of this work is to study advertising on the Internet and its advantages in comparison with other types of media. The relevance of this work is that the Internet is an integral part of our life and work while many companies and agencies currently use the Internet to advertising. In this article, the views and notions of scientists are discussed and classified in order to reach the conclusion about the vitality of e-advertisements in ICT sphere. Moreover, the article defines the various methods of advertising including traditional and internet related types, while it describes the whole process of making an advertisement of particular product. Afterwards, the methods and types of advertising are compared with each other and their advantages and disadvantages are analyzed. Furthermore, the article scrutinizes the figures related to the cost and quantity of advertisements, and concludes that mobile and digital advertisements are the main sources that are growing fast.

Keywords— Advertising, communication, customer, electronic exposure, mandatory advertising, media, target marketing, website.

Introduction

INTERNET advertising is an image. All over the world, and now in our country - Uzbekistan, the availability of a working Web site is becoming a sign of stable, professional work of the company. The Internet has long become not only a means of communication, but also a field for serious commercial activities. Almost every foreign company has its own representation in the network, a virtual office. The total turnover of companies that trade in the Internet reaches billions of dollars. In Uzbekistan, an increasing number of companies are using the Internet to promote their products and services. It is easy to see this by looking at advertising editions. Next to the usual phone numbers and faxes, e-mail addresses and Web sites are increasingly found. Soon the absence of an Internet address will make it difficult to work just like the absence of a fax.

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This is speed and relevance. Traditional mass media, for all their clarity and familiarity, are no longer able to provide the appropriate level of efficiency required by the modern person. Therefore, more and more people turn to the Internet to get the latest information: about services and prices, weather, exchange rates, just news. On the Web site, you can change the information several times a day. In print, you need to order advertising at least a week, or even more. And on the Internet everything is operative: new products or services, a new discount or a new supplier - tomorrow customers will know about it. There is no need to wait until the next issue of print advertising. Information on the site will always be up to date, the most recent. This is what is valued, this is what attracts millions of users to the Internet.

This is advertising. Already in Uzbekistan, the volume of Internet advertising has reached millions of dollars. Advertising on the Internet, on the one hand, is cheaper than advertising in printed publications; on the other hand, it acts on the most active part of the population with a higher level of income. Advertising on the Internet resembles advertising on television: whether we like it or not - we still see it. By placing advertising on the Internet, we have the advantages of television, and the prices are lower than in printed publications. If you consider, for example, the newspaper "Buy-Sell" - hundreds of companies print advertising in it, it is very difficult to stand out there and more and more funds are required. Moreover, on the Internet, there are still a few firms that conduct targeted advertising of their services and products. If you comprehend this, it becomes clear that you need to urgently be among them, while it is not so expensive.

This is the amount of information. The benefit of placing information about the company on the Internet and its advertising is obvious. A prospective customer or client has the opportunity to learn about the firm and its proposals in detail, coverage of which in advertising publications or on television would require huge costs. This is a virtually unlimited amount of information that the firm deems necessary to provide the client. The forms of presentation of this information are limited only by imagination.

This is the efficiency of the firm. It would be a mistake to propose the use of the Internet only as a means of advertising. Using the latest technologies, it is possible to offer its partners special sections that are closed to the general public, allowing them to promptly obtain the necessary information, make orders and track their condition without taking employees away from work by long telephone calls. In these sections of the site will be posted information on working conditions, the status of orders of partners. There will also be special electronic forms for ordering goods and services. At the same time, information about the availability of a particular product and the status of a particular order can be automatically exported from the corporate information system.

This is attracting new customers. All that was said above, will provide an influx of customers, especially direct advertising on the Internet. With it, you can cover a new, promising advertising space, in which there are not so many competitors yet, and where the firm will be able to take a prominent position without spending a lot of money.

The purpose of this final qualifying work is to study advertising on the Internet and its advantages in comparison with other types of media.

The relevance of this work is that the Internet is an integral part of our life and work. Now many companies and agencies use the Internet to advertising.

The tasks of the final qualifying work are:

- Get acquainted with the types and advantages of Internet advertising;

- Evaluate the effectiveness of Internet advertising on the example of tourist services;
- To clarify the problems of using and increasing the effectiveness of Internet advertising.

Methodology

Electronic advertising is advertising that uses the Internet and other forms of digital media to help a business promote and sell goods and services. The purpose of using Electronic advertising is to reach a wider range of potential customers by connecting with them over the web. It is also a lot more cost effective as you can fund your advertising within the boundaries of your own budget. Another luxury of Electronic advertising is 'Target Marketing'. This means that you can target your desired group of customers based on a wide range of criteria such as age, location, gender and religion.

What is the principal structure of Electronic advertising?

- Published on the Internet;
- Electronic advertising provide a hyperlink that redirects to the company's site;
- Can include animated movements in the advertisements.

Electronic advertising is an attempt to release information on the Internet in order to establish a relationship among vendors and buyers. Internet advertising can also aim at strengthening the position of a specific brand in the market (brand building) or attempt to evoke direct response from consumers. This latter type of advertising has great advantages compared with other advertising means, such as television or radio that do not support bi-directional communication and transactions. Moreover, Internet advertising can be defined as every form of commercial content, available through the Internet and designed by a company, in order to inform consumers of a good or a service.

The most common way of advertising through the Internet is the so-called "brochure ware", which refers to the use of a company's official website to show its products and business activities.

Advantages offered by advertising are direct communication and interaction with users, the possibility to offer personalized or, at least, adapted mass messages, the consumer's ability for direct criticism, the broad number of potential customers and, consequently, the low cost of advertising messages per viewer/ user. In the other end, the disadvantages are that certain ways of measuring advertising message effectiveness are not commonly accepted, the lack of technological standards to ensure the time efficiency of messages, the easiness to offer advertising content, and the dependence of advertisements on advertised product technology, web means of exposure and the receiver of the message. In many cases, viewers have the option to deactivate incoming advertising messages, a fact that re-determines the effectiveness of a company's cooperation with advertising agencies.

Literature Review

The purpose of all these means of exposure is communication of the right message to the right receiver at the right time, as well as the collection, understanding and translation/ decoding of the message in a proper manner. In order to meet this complex purpose, there are three aspects of communication strategy that need to be balanced within a message.

Kiani (1998) described these aspects as follows:

- Message: the concept to be transmitted from the sender to the receiver.
- Format: the message characteristics that attract the receiver's attention.
- Context: the means with which the message is transmitted.

Every context provides messages with different opportunities to attract and interact with the public. A good message should balance each one of the above aspects, in order to be supported by the appropriate format and use all the available offered capabilities within the transmission context. In most cases, Messages can adjust to the Context and the Format of the available types and means of exposure. Companies and products appear to be facing the following problem with electronic exposure: "When the promotion is realized through the Internet, distance between consumers and businesses is only one click away. However, the exposure of an electronic address in the physical environment does not offer the same opportunities. To be exact, while in the previous case users would click on the Internet advertisement and would be redirected to the company's website, in the second case, another form of active participation is required, since there are further issues regarding memory, recording, reminding and access at a later time. Therefore, in the second case, as has been noted by Kiani (1998), in order for all additional steps to take place, motivation and communication strategy need to enter the field.

On the other hand, Dann&Dann (2001) have made certain observations on the phenomenon of excessive website activity, resulting in very low speeds or even a Denial of Service (DoS). According to Dann&Dann (2001), the Slashdot phenomenon is the result of existing imbalance among the five Weibe factors, as described by Kotler& Roberto (1989). The five Weibe factors are:

1. Force: It refers to the degree of one's motivation against a purpose and based on his/ her inclination to the idea of a message. On the Internet, force is an essential component to the success of a website as it is driven by the user's interest. In other words, the effectiveness of a communication campaign depends on the interest it induces to users. Direction: It the knowledge of how (means and methods) and where (points of presence) a company should meet the objectives of a communication campaign. On the Internet this is translated as access and navigation through a website. Access relates to the easiness in connecting to a website. Navigation relates to the easiness in obtaining specific information that is stored in a certain web location.
2. Mechanism: It refers to the entity that will convert user interest into action. On the Internet, the mechanism is the website itself.
3. Adequacy and
4. Compatibility: They refer to the ability and effectiveness of an entity mechanism in serving its planned objective. On the Internet, these factors are translated as technological compatibility and planning adequacy, in order to serve user requests in a clear manner.

Some of the primary methods used in electronic advertising are the following (Siomkos, 2004):

Advertising banners. Advertising banners are the most common form of Internet advertising. They rent advertising space in websites and are usually visible on the upper or lower section of a page. Most banners are click-through, linking to the web page of the advertiser. While planning, attention must be paid to file size, as it affects the time necessary for an advertisement to load on the user's computer. The size of image files should be between 7KB and 10KB. The smaller the size of a file, the faster it loads. Advertising banner

designers pay a lot of attention to image sizes, as slow loading can make viewers impatient and change their web location before the banner has fully loaded (Dabner, 2004).

Typically, an advertising banner contains a short text or a graphical message promoting a product. Advertising executives dedicate a lot of time to plan an advertisement that attracts the attention of consumers. With the progress of web programming, it is also possible to find advertising banners with videos and sound. Thus, the following types emerge (Dimitriadis&Baltas, 2003):

- The Animated banners include motion and rotation of graphics. They attract user attention more effectively than static banners, without largely affecting file size or loading times.
- Interactive banners support bidirectional communication with users, who can add data, select from a menu, answer a question or even carry out a transaction.
- Transactional banners form a significant development. This type of advertisement merges advertising and selling, and uses impulsive and non-scheduled purchases by consumers, allowing for direct transactions without relocating users to the vendor's website.
- Advertising banners contain links that, when clicked on, they redirect visitors to the advertiser's website. There are two types of advertising banners: key word banner and random banner.
- Keyword banners appear when a search engine is used to make a search using a keyword. It is an effective means for companies that wish to limit their target group.

Random banners appear randomly. Companies that wish to launch their new products (such as a movie or a CD) use random banners. Banners are placed by advertisers to third websites that address their target group.

There are three main banner placing methods:

1. Purchasing advertising space: This method is similar to purchasing advertising space or time in other media. The advertiser pays the owner of a website in order to expose an advertising banner. The website should be adequately efficient, i.e. be capable of approaching the target group both in terms of traffic and composition of visitors. The cost for banner exposure should also be competitive compared with other, equally effective means.
2. Banner swapping: The banner swapping method means that company A agrees to promote company B's advertising banner and, in exchange, company B publishes company A's advertisement. This is a direct link between two websites. Every time company B's website is accessed, the advertising banner of company A will be shown, providing viewers with the opportunity to visit company A's website. This is probably the cheapest form of advertising using banners in terms of placement and maintenance but it is not easily agreed. A company needs to find a website that produces qualitative traffic. The involved parties should also reach an agreement. Moreover, the company should contact the owner/ webmaster of the website and enquire whether he or she is interested to swap advertising banners. Swapping is a cost-effective method for projecting banners but requires consent by both parties. In order to reach an agreement on banner swapping, each party should regard the other party's website as the appropriate means of advertising. Banner exchange: The swapping method is quite restrictive as it requires matching of the two companies. The method of exchange exceeds these restrictions by implicating more than two parties in the

process with the help of an agent (a banner exchange company). A company that wishes to promote its banner submits it to the agent and the agent promotes the banner to the websites of participating companies. At the same time, the company hosts the banners of all participants in its website. The number of the company's banner hits is proportional to the number of third banner hits hosted in the website. The exchange of advertising banners does not often work because matching can be difficult.

Discussions

However, if many companies are involved, it would be easier to match. The following is an example of three participating parties: A can show B's advertising banner but B cannot show A's advertising banner with the best possible results. B can show C's advertising banner and C can show A's advertising banner. This type of exchange can involve many different companies. Advertising banner exchange becomes with three or more implicated parties. It functions like a regular commercial transaction. A company submits an advertising banner to the banner exchange company and creates a link to one of its web pages showing different banners every time the page is accessed. Every time a participant shows an advertising banner on behalf of one of the exchange participants, they earn one point. When the participant earns several points, their advertising banner appears in the website of the appropriate participant. Most exchange schemes provide their members with the option to purchase additional points. Several exchange schemes allow participants to define the type of website they wish to promote their banner in, thus helping advertisers to consider a specific target group. Most exchanges offer a point ratio of approximately 2:1. This means that for every two advertising banners that appear in your website, your banner will be shown once. One can't help wondering why the ratio is not 1:1 instead. The banner exchange company must produce income to cover its operating expenses and offer additional services; therefore it will sell about 50% of all advertising banners. Some transactions will not allow certain types of advertising banners, a fact that should be examined before deciding to participate in a similar scheme. Generally speaking, banner exchange is an important advertising method and should be seriously considered as an alternative.

A variation of banners is the spot. This is a space in a website that is rented by those who wish to advertise their products. As opposed to banners, spot advertising is permanently placed in a website and appears to all visitors. Spot advertisements are usually placed in search engines and Internet portals, and have small size.

Banner effectiveness is normally measured through the behaviour and reaction they evoke, such as click-through and number of transactions. It is worth mentioning that the percentage of users who react to a banner by clicking on it is very small. It is therefore important that the banner also meets other marketing purposes besides direct user response. In particular, they can be used for branding purposes (securing a powerful brand); this way they will produce a positive result even to users who do not click on the banner. There are clear restrictions on the amount and type of information that is communicated through a banner and, in this context, its contribution to branding cannot be compared with that of other richer means, such as television. Yet, there are always opportunities for further use of this means of advertising and the space used by banners. For example, a banner that bears the logo of a famous brand can strengthen the brand's image and position in the mind of consumers, even if consumers do not click on the banner to get more information or do not purchase the product at that time.

The development of effective banners is greatly facilitated by the fact that they can be tested thoroughly before being finalized. The testing process takes place for a limited amount of time and provides data on the

banner's effectiveness. Testing data help the selection of the best banner or its re-designing. Experimenting with a variety of designs and characteristics is easy and cost-beneficial.

A primary advantage of using advertising banners is the ability to adjust them to the target group. An advertiser can decide which market fields to target (Fiore, 2001). Advertising banners can still be adjusted to a one-to-one, targeted advertising. A "mandatory advertising" marketing strategy is also used, which means that customers are bound to see the advertisement. The disadvantage of this method is its high overall costs. If a company asks for a successful advertising campaign, it should commit a large amount of its advertising budget in order to achieve a high CPM (cost-per-thousand). Another major disadvantage of using advertising banners is that only a limited amount of information is allowed; advertisers should think of small creative messages in order to attract viewers. An important element that should be examined by advertisers is the size of an advertising banner. They should make sure that the size of the image used is suited to the position in which it will be placed and that the file size and its animation restrictions are suitable. A large file image or unlimited motion can require a lot of minutes to load. This can prevent the appearance of the remaining page until the image loads, and will result in impatient visitors exiting the website before the page has been viewed.

Certain commonly accepted advertisement orders on the Internet are mentioned by Choi et al (1998) and others. A typical guide includes the following:

- Advertisements should be visually attractive. In massive media, advertisements should be coloured and attract the reader's attention. On the Internet, this principle can be applied by adopting interactive and animated content that can attract the visitor's attention and make him/her want to return to the page.
- Advertisements should target specific groups or individual consumers. Advertisements should be adaptable and be able to communicate on a personal level.
- The content must be valuable to consumers. Websites should offer valuable information, avoiding any unnecessary and large files that delay loading times.
- Advertisements should focus on the trademark and the company's image. Advertisements should emphasize on how the company's products and services differ from those of the competition.
- Advertisements should form part of a complete marketing strategy. Companies should actively participate in all kinds of Internet activities, such as newsgroups, mail lists and electronic bulletin boards. All activities form part of a strategy. Furthermore, online advertisements should coordinate with offline advertisements.
- Advertisements must be associated with ordering processes in a clear manner. After watching the advertisement, if they wish, customers can order the advertised product using convenient, preferably online, means of payment.

The successful designing of websites is both an art and a science. In reality, it is a very difficult task. Gehrke & Turban (1999) acknowledged 50 variables that can increase (or decrease) client satisfaction of a web page and, in the end, their wish to view advertisements. These 50 variables were then split in five categories. Authors performed certain experiments in order to find their relative meaning. Several of the most important variables in each category are mentioned below, along with suggestions:

- Page loading time: Graphics and tables must be simple and have a reason for being there. They should be compatible with standard screens. Thumbnails can be useful.
- Business content: Clear and concise content is essential. An attractive page title and headline text can be useful. The amount of registration information required should be minimal.
- Navigation efficiency: Properly named, precise and descriptive links are obligatory. Websites must be compatible with different browsers, software, etc.

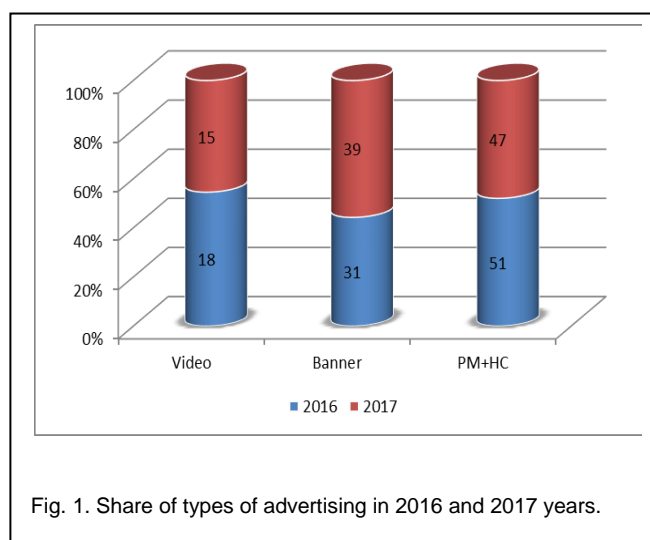
- Security and confidentiality: Security and confidentiality must be ensured. Cookies must be disabled.
- Marketing focus on customers Clear terms and purchase conditions must be provided, including information on delivery, return policies, etc. A confirmation page should appear after every purchase. When advertising follows the above suggestions, then it is possible to implement advertising on one, or a combination of more than one, of the following strategies:

Analysis

The turnover of media Internet advertising for the year of 2017 increased by 40% - up to \$ 559 billion. The main reason for the increase in the turnover of digital advertising was the transition to an online target audience of brands. Every year we see an increase in both the number of regular Internet users and the time spent on the network. Naturally, the advertiser moves for his consumer in advertising communications. Efficiency is growing, new advertising formats and tools are emerging. The situation in the economy is gradually stabilizing, companies are increasing their advertising budgets, investing more in online advertising. There are several side-effects of increasing advertising turnover. In addition to exchange rates, inflation, growth of marketing expertise, there is a noticeable marketing struggle between competitors who are trying to catch up with each other by investing in advertising. The dynamics are facilitated by open borders and politics. Today almost all categories (except for retail and alcohol) increase their advertising costs for certain online tools.

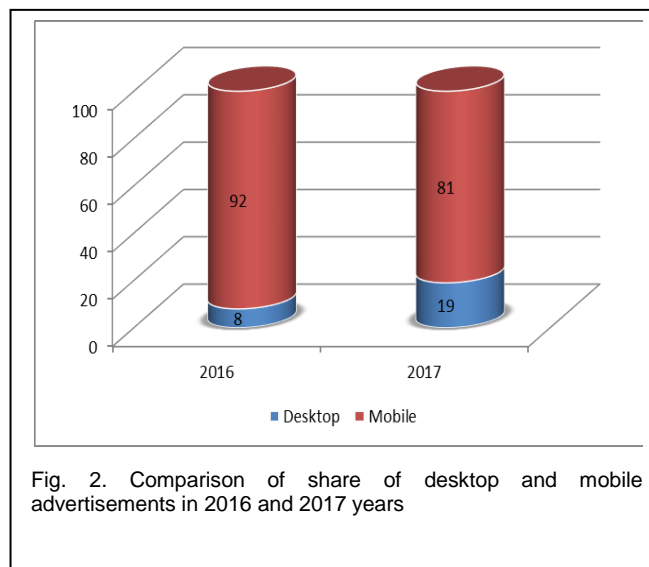
Using online advertising at least 10-20% increased their budgets in virtually all industries. But there are special customers who managed to build e-commerce, reaching profitability and increasing advertising costs by 25-30% per year.

The following placements and promotion channels were most popular with advertisers: In previous years, the drivers of the growth of Internet advertising were three "whales": video advertising, sales through RTB (automated technology Real-Time Bidding, that is, purchase of real-time advertising on the basis of the auction. Mind) and advertising in mobile devices. In 2017, the situation has not changed much, video advertising is still in high demand, all high-quality video equipment is being redeemed.



And the mobile has a lot of potential for growth. The segment of advertising in mobile devices for the Uzbek market is still extremely underdeveloped both in terms of volumes and in terms of formats used. For example, only in 2018 Admixer was able to offer the advertising market a format such as Rewarded Video, in applications on mobile devices. According to InAU, in 2017 the mobile segment occupied more than 35% of the total turnover of media Internet advertising.

Global advertising costs will grow by 4.2% in 2017 - up to \$ 559 billion. The pace will drop somewhat compared to 2016 when the growth was 4.8%, according to Zenith. However, last year had several high-profile events, including elections to the United States, the Olympics in Rio, football championships in Europe. Events added about \$ 6 billion to the global advertising volume in 2016. With this in mind, the base growth will actually be 3.6% in 2016 and 5.4% in 2017.



The markets in Latin America, as well as in Central and Eastern Europe, are recovering. Brazil has emerged from the longest recession since the 1930s, while Argentina is finally dealing with inflation. The market of Central and Eastern Europe is gaining momentum after the conflict and sanctions hit Russia and related markets in 2015. Zenith predicts an increase in advertising in Latin America this year by 4.1% compared to last year by 0.2%, and growth of 7.3% in Central and Eastern Europe - is by 4.1% more than last year.

The Asia-Pacific region is becoming a world leader. Advertising spending here will grow by \$ 30 billion between 2016 and 2019, which will provide 43% of global growth. The region will contribute almost 50% more advertising budgets than North America, which will grow by \$ 20 billion (29% of global growth). Western Europe will grow by \$ 8 billion (11%), Central and Eastern Europe - 4 billion (6%), and Latin America - 3 billion (4%).

By 2019, the Asia-Pacific region will account for 33.4% of global advertising, compared with 32.1% in 2016. This will be the first time that this territory will account for more than a third of the total in the world.

The Asia-Pacific advertising market will continue to be smaller than the North American advertising market, which will account for 36.3% of global advertising in 2019, but the gap between them is narrowing. In 2013, the advertising market in North America was \$ 35 billion more than in the Asia-Pacific region, but by 2016 the difference has dropped to \$ 27 billion, and it is expected that in 2019 it will drop to \$ 18 billion.

TABLE 1 : ANNUAL GROWTH OF ADVERTISING COSTS IN CURRENT PRICES

	Annual growth of advertising costs in current prices,%		
	2016	2017	2018
World market	4,8	3,8	4,3
North America	5	3,6	4
USA	5	3,6	4
Canada	3,1	3,1	2,7
Western Europe	4	3,5	3,6
United Kingdom	6,1	4	5,9
Germany	2,3	2,6	3
France	0,9	1,6	2
Italy	3,5	0,8	1,5
Spain	6,8	5	3,6
Central and Eastern Europe	7,6	6,6	6
Russia	11,4	9,8	7,8
Asian-Pacific area	4,7	4,3	4,6
Australia	4,8	4,1	4,8
China	7,4	6	5,4
India	11,9	13	12,2
Japan	1,9	1,7	1,7
Latin America	11,9	7	8,9
Brazil	5,4	2,1	5

As for advertising categories, advertisers themselves expect growth in media and entertainment categories, followed by pharmaceuticals and healthcare, as well as alcohol. The greatest concern is caused by telecommunications - after food and drinks and FMCG (except food).

Growth in advertising costs remains at 3.8% amid restrained short-term forecasts. Based on data from 59 markets in the Americas, the Asia-Pacific region and the EMEA region (Europe, Middle East and Africa), Dentsu Aegis Network experts forecast more moderate growth in advertising costs at the global level: 3.8% instead of 4.8% in 2016. Nevertheless, the situation should be settled by 2018: growth is expected at 4.3%. Events and events of international scale will contribute to the strengthening of the industry in 2018. Among them: the Winter Olympic and Paralympic Games in South Korea, the FIFA World Cup in Russia and the elections to the US Congress.

Despite concerns about the negative impact of "brexite" on the economy, advertising costs in the UK exceeded forecasts of 2016 - growth is expected at 6.1%. Despite the low-key forecast of 2017 and the forecasted decrease to 4%, next year there may be a rebound to the growth rate of 5.9%. A similar picture is observed in the US: in 2017 growth will decrease to 3.6%, and in 2018 will increase to 4%. The US remains the world's largest player, which provides up to 37.7% of global advertising investments. The level of advertising spending in emerging markets continues to outstrip developed economies. For example, in 2017, advertising spending is projected to grow by 13% in India, while China - the second largest market in the world in terms of the share of advertising - remains the only emerging economy that is among the five largest advertising markets.

In 2017, digital remains the main driver of innovation in the relationship between brands and consumers. Experts believe that advertising costs in the mobile will outpace the desktop in the volume of global advertising investments, amounting to 56% - \$ 116.1 billion in monetary terms. The number of mobile subscribers will reach 4 billion by 2025. About a third of consumers report that the smartphone is their main source of content. Experts predict further strengthening of this trend.

In addition, in 2017 digital became the main media, for the first time overtaking TV by the volume of advertising investments. The share of digital reached 37.6% (34.8% in 2017), which is equivalent to \$ 215.8 billion. The share of TV will make 35.9% (37.1% in 2017). Contextual advertising in 2018 will outstrip the traditional print media (newspapers and magazines). The print has been on the downward trajectory for several years, its share will fall to 13.8% of total spending in 2018 (15.1% in 2017), while contextual advertising will grow to 14.6% (13, 6% in 2017).

With the rapid increase in spending on digital advertising, which can soon be compared with the costs of TV promotion, the digital sphere is actively developing at the expense of new directions that determine the future of the advertising business. Online video will grow by 32.4% in 2017, social networks - by 28.9%, programmatic (automated purchases of advertising) - by 25.4%. Brands need to take into account the potential of innovative formats in advance, including virtual reality, artificial intelligence and voice control systems. However, as the study shows, only 8% of all companies today intend to use virtual reality for advertising purposes.

Internet advertising wins from difficulties with placing advertising of other media. Most of the advertising budgets are spent on online advertising, and this trend will continue. Even in the conditions of market instability, when the reduction of advertising revenues in traditional media is expected, further growth is expected in the digital market.

Conclusion

Beyond the textbook, advertising on the Internet has already been known as a well-established means of forming the company's image. A corporate server will allow you to make information about a company or product-service accessible to millions of people, including geographically remote ones. In addition, you will be able to react quickly to the market situation - to change the price list data, to announce new products and services, and so on. The server will allow you to implement all possible forms of information representation: text, graphics, sound, video, animation and so on. Another advantage of the Web server is the ability to open a virtual office, which will be available 24 hours a day, 7 days a week from anywhere in the world. Banner - one of the main elements that work to build a positive image of the company. With the help of advertising networks, you can display banners to the target audience.

Unfortunately, in the CIS, because of the lack of a large number of popular servers on different topics, this is not always possible. Studies conducted by recognized authorities in the field of Internet advertising, showed that the banner works, even if it is not clicked on. Click means only a momentary interest. The main idea reflected in the banner (if it exists) is still remembered. Due to the specifics of the Internet people are active in the search and perception of information, so the probability of exposure to advertising is higher: about 30% of respondents remember the banner they saw in seven days.

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PRODUCTION OPTIMIZATION THROUGH INFORMATION COMMUNICATION TECHNOLOGIES AND INDUSTRY 4.0 CONCEPT

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ABSTRACT

Information and Communication Technology (ICT) has become one of the most widespread and essential factor in global technologies which shape the dynamics of the world economy. The usage level of ICT determines economic growth, productivity and business efficiency of any company or enterprise within an information based economy. Developing country like Uzbekistan, with high industrial potential is experiencing a different position and the technology roadmap of accomplishing Industry 4.0. Uzbekistan managed to join the group of lower-middle income countries; the ultimate development goal of the country in the next stage is to reach the development benchmark comparable to the higher-middle income group by 2030. The aim of this paper is to present Industry 4.0 concept and facilitate it through ICT development at Uzbek manufacturing enterprises to reach overall performance optimization.

Key words: *Information Communication Technologies, Industry 4.0 concept, Internet of Things, Cloud Computing, Intelligent Manufacturing, Smart Factory.*

Introduction

Information communication technologies have accelerated factors for intelligent manufacturing. If mechanization and electricity were the catalysts for the earlier industrial revolutions, in the second phase, mass production through assemble line were popular. Over the past decades, Information and Communication Technology (ICT) has become prominent, creating conditions to 4th phase of industrial revolution (Figure 1). Moreover, ICT has myriad involvement in enhancing automation and process digitalization through networking hence resulting with increased productivity. WFEO (2019) claims that technologies have become the foci of innovation, primarily because traditional industrial technologies have reached their full potential, and are not able to address present-day business challenges of compressing production time, slashing cost of production, increasing production flexibility resulting in an overall increase in business agility.

This paper will focus on how ICTs pave way to Industry 4.0 concept in production processes at industrial enterprises. Internet and advanced technology as the core drivers of ICT development are discussed consequently. Further, proceeding to Industry 4.0 concept overview and implementation of strategy throughout the world were provided. The second part of the papers looks deep at development of ICT at manufacturing enterprises. Also, the outlook of Uzbek cement industry is provided. The role of ICTs at Industry 4.0 concept was shown, highlighting some impediments to further development. AhangaronCement JSC was discussed as case study.

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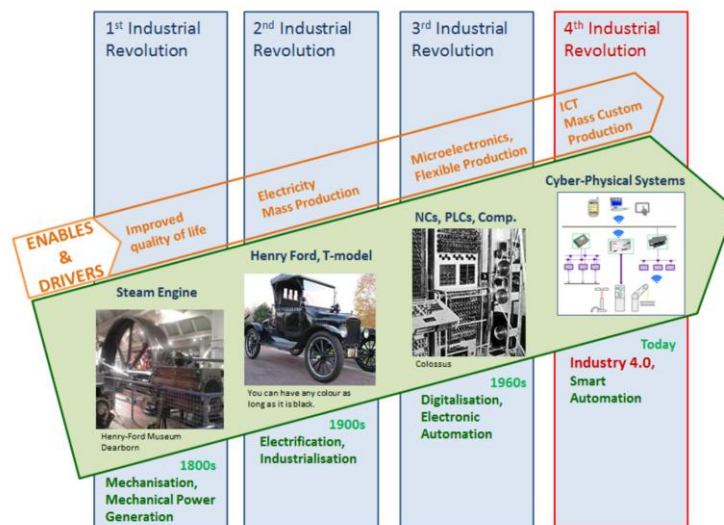


Figure 1: Through Industrial Revolutions (adapted from Rojko, 2017)

Influence of internet on ICT

While talking about ICT, the important influence of internet cannot be omitted. Internet based ICTs and information flow they support plays crucial role in overall advancement of society. Information and Communication Technologies help to remove the economical differences and the technological imbalances. Potter (2001; 71p) argues that the internet is easing and spreading the exchange of real-time information, enabling improvements throughout the entire value chain, in almost every company and industry. Moreover, Overby and Min (2001; 392p) emphasize that information technology is transforming organizations and production processes and creating new opportunities and challenges for international markets. As the result "many markets and industries are fast becoming borderless and integrated".

Looking at internet from Industry 4.0 context, it could be said that they are interconnected and dependable. WFEO (2019) states, that when integration of Internet with the ICT in manufacturing occurs, internet becomes a "core influencer and enabler" of process. Therefore, manufacturing enterprises are deploying Internet technologies across the entire value chain into production, R&D services and marketing thereby streamlining the entire production process and operating model of the enterprise. Additionally, as Holdiz (2015) states in his research, the internet's role is essential in deleting market borders, making globalization present in the economy. Developed market world is reflected by modern technological achievements in communication and informational linking among manufacturers and customers.

Industry 4.0 - Review and implementation

Extensive involvement of ICTs in manufacturing process further led to Intelligent Manufacturing Strategy, also known as Industry 4.0, which was initially developed and proposed by Germans in 2011. It is also considered as the fourth stage of Industrial Revolution. The core objectives of current strategy as cited in Zhong and Xun (2017) include improvement of manufacturing technologies with the help of cyber-physical systems, Internet of Things (IoT) and cloud computing. In Industry 4.0 era manufacturing systems are able to monitor physical and make smart decisions with the involvement of ICTs. The conclusions are made through real-time communication and cooperation with humans or machines. Moreover authors (Zhong and Xun, 2017) state that Industry 4.0 combines "embedded production system technologies" with intelligent

production processes to pave the way for a new technological age that will fundamentally transform industry value chains, production value chains, and business models.

Industry 4.0 strategy requires direct use of ICTs and IoT in all stages of production. Attraction of contemporary ICTs enable all physical processes and information flows to be available when and where they are needed across holistic manufacturing at industrial enterprises. While the proliferation of these technologies has resulted in enhancing affordability, most companies are facing challenges of "leap-frogging", as WFE0 (2019) states, through the stages of electrification, automation and digitization to achieve the status of "smart factories". To make this transition smooth, enterprises should pay attention on upgrading the existing equipment and enable networking and connectivity.

According to Pereira *et al.* (2017) the application of Industry 4.0 brings diverse technological challenges in manufacturing industries. Adopting new manufacturing process involves many aspects such as scientific, technological and economical. Most common challenging aspect considers new high-tech equipment installation which usually requires huge investments. Small and Medium enterprises initially consider this aspect. Moreover, workers' skills and qualifications concerning problem –solving, analysis, and ability to deal with constant changes arise. However, benefits overstate challenges. Employing dynamically programmable ICTs and production technologies in combination, can result with individualized product customization, dynamic allocation of resources/capacity and reduced production complexity. As Mohamed (2018) claims, acquiring ICTs allow faster, cheaper, easier and more diverse production processes and overall increase in company turnover/sales.

Manufacturing counties such as United States, Germany, Japan, France, India and China have been developing technologies and using ICTs in different fields to attain Smart Manufacturing last few years. Though these countries stick to Industry 4.0 Strategy, the campaigns are named differently among them (Figure 1). Rubmann *et al* (2015) states, Industry 4.0 will be espoused by an increasing number of German firms during 5–10 years and will help raise the output in all manufacturing sectors of the country by EUR 90–150 billion.

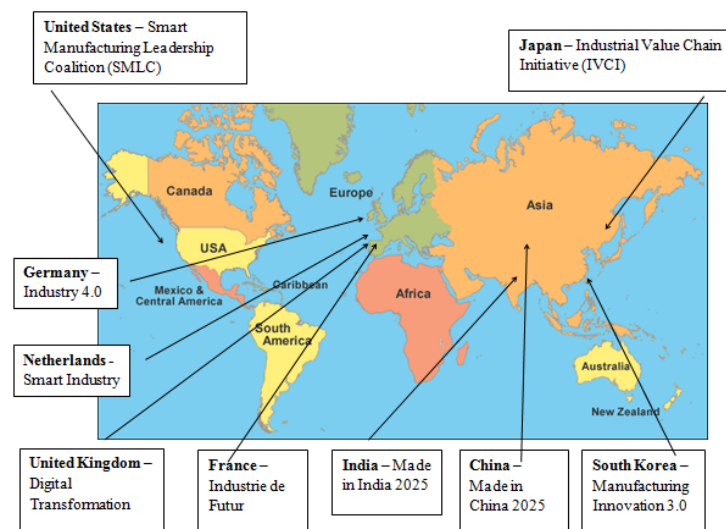


Figure 1: Countries as the past of 4th Industrial Revolution (data was adopted from Mohamand *et al.*, 2018)

SMLC's mission and vision are almost the same as Industry 4.0, to hold "fundamental shift in manufacturing processes toward demand-dynamic economics, flexible factories, and demand-driven supply chain service enterprises of United States through IoT and ICTs. Furthermore, France's *Industrie de Futur* concentrates on nine primary markets: sustainable cities, new resources, transportation, ecological mobility, health care, intelligent objects, intelligent food, digital economy, digital trust and intelligent food. Korea's approach mirrors Industry 4.0, with automation and smart factory concept (ibid). The same initiatives are made in Asian countries - 'Made in India 2025' and 'Made in China 2025'. These programs started by the government to upgrade the country's manufacturing sector and enable it to advance like countries such as Germany with lower labour costs.

Intelligent manufacturing: Prospects in Uzbekistan

Uzbekistan is a resource-rich, doubly-landlocked country, strategically located in the heart of Central Asia with population of about 32 million in 2018 (UNDP, 2019). Main sectors of economy are agriculture, accounts 21.37% of GDP in 2018 (Asian development Bank, 2019) and industry manufacturing¹ 37.69% of GDP in 2018 (ibid). According to investigations of the Center of Economic Research (2014), the ultimate development goal for the Uzbekistan is to join the group of upper middle-income countries by 2030.

Since its independence in 1991, the attraction of advanced technologies, foreign investments and modern management styles were set as the priority policy to the government. It could be seen that industrial sector has shifted its focus from capital intensive basic industry to developing manufacturing sector that produce goods of higher technological level and contribute to employment growth. Altogether, it is leading to an increased share of industry in GDP of the country.

Uzbekistan has a high potential for practical demonstration of improved productivity and other economic indicators at this stage of development. They depend on the level of technological development and planning of ICT projects in business practice. However, "due to lack of initiatives to introduce ICT at large enterprises, organizations and business associations, improvement of technological processes and management systems slows down." In this regard, President of Uzbekistan Shavkat Mirziyoyev signed a decree "On Uzbekistan's Development Strategy". The document has approved Uzbekistan's Five-Area Development Strategy for 2017-2021 which was developed following comprehensive study of topical issues, analysis of the current legislation, law enforcement practices, the best international practices, and following public discussion. He noted "introduction of ICT in the economy, social sphere and management" plays crucial role in economic growth and liberalization, in the third area of Development Strategy².

The digitalization technologies with involvement of ICTs are promoting Industry 4.0 can boost manufacturing industry of Uzbekistan, thus leading to re-industrialization, resulting in increased product quality and technological content, improved process performance and higher work quality. Kambarov *et al* (2018) declared in the research, Industry 4.0 strategy may play an important role in reaching economic development of Uzbekistan. However, Smart Manufacturing paradigm is not fully formed in Uzbek manufacturing systems yet. Some of the technology advances representing the basis for Industry 4.0 are already used in manufacturing systems of the country (ibid). Best example can be automobile industry of Uzbekistan. Center of Economic Research (2014) mentioned that additive manufacturing systems and

¹ Includes textiles, food processing, machine building, metallurgy, mining, hydrocarbon extraction, and chemicals;

²Decree of the President of the Republic of Uzbekistan "On the strategy of action for the further development of the Republic of Uzbekistan" // Collected Legislation of the Republic of Uzbekistan, 2017, No. 6, article # 70

autonomous robots have been implemented, as well as ICT solutions have been adopted in automobile industry. Another example (Kambarov *et al.*, 2018), the GM-Powertrain system consists of flexible production lines and automated machining systems for cylinder block, cylinder head and crankshaft manufacturing assisted by computers.

Introduction of Industry 4.0 in Cement industry of Uzbekistan

The manufacturing industry is the basis of Uzbekistan's economy and powerfully influences people's livelihood. The country is quite dependent on the deployment of smart manufacturing practices as well as ICTs to make sure the manufacturing sector would continue to expand which in turn raise competitiveness by espousing advanced technologies like smart products, IoT, smart production lines. Moreover, with the advanced technology, Industry 4.0 holds the ability to draw increasing number of investors to invest in economy.

"Ahangaronsement" JSC

Uzbekistan is the largest cement producer in Central Asia. According to UzSanoatQurulishMateriallari (2019), at six operating cement plants in the country in 2016, more than eight million tons of finished products were produced. In the period from 2017 to 2019 this amount is doubled. Ahangaronsement» JSC is considered as one of the biggest with annual production capacity of 2.1 million tons¹. Since 2006 Ahangaroncement plant is operating under "EuroSement Group" Holding (Headquarter: Moscow, Russia). Forbes (2019) estimates 63.8 million USD turnover of EuroSement Group in 2018. Also, holding takes the first place in cement production of Russian and eighth in the world. ICTs played key factor in Holding's success. The EuroSement Group Holding reached the production capacity due to acquiring modern ICTs in all production lines throughout all branches.

In October 2018, a stone was laid in the foundation of new cement plant at the site of Ahangaronsement plant. The total investment is more than 160 million USD (kun.uz, 2019). "The plant will become the flagship of the cement industry in Uzbekistan and a powerful support for the growth of the country's economy," said Mikhail Skorokhod, President of the "Eurocement Group" holding" (ibid). It is planned to be the largest plant in Central Asia and the most modern enterprise in CIS with full automation of production applying Industry 4.0 principles step by step.

As the part of PhD research, Ahangaroncement JSC was chosen. Production efficiency was attained with the introduction of new ICTs – 1C Parus (was specially developed for EuroSement Group Holding branches). Main objectives include reduce:

1. Production cost and time;
2. Logistics costs;
3. Quality management cost;
4. Frauds;

To meet these objectives in AhagaronCement Plant, Mobile Monitoring of Technological Equipment was installed. Each equipment in the plant has own electronic tags - NFC (near field communication) where functions and duties of equipment are assigned. Moreover, each equip is "smart" enough to monitor, detect

¹ Official website of "Ahangaroncement" JSC < <http://akhancem.uz/index.php/uz/korxona-haqida>>

and warn about any failure/disorder¹ in production process, consequently send gathered information to both server at headquarter (IoT) and local plant managers. Then server analyses the equipment and forwards assignment automatically to local managers which in turn addresses assignment to "repair team" managers. This process normally takes few minutes, occurring less production process stops. The "repair team" managers evaluate the performance of the manufacturing process in different operating scenarios and identify the best strategy to react to possible issues rapidly.

Another example of ICT used in the plant is - Customer Verification Smart Cards (CVSC). AhangaronCement JSC operates with many domestic and foreign customers. The daily volume of cement shipment can vary from hundred thousand tons to five hundred thousand tons. To meet this high intensive shipment conditions, each customers are provided with CVSC upon making contract with company. Once payment for shipment had been done individual CVSC are issued. They contain all information concerning the customer's status: payment, amount of order, type of cement and etc. By scanning CVSC at logistics department the necessary amount of cement will be loaded to vehicles without human interference. Automated machines analyse the information on the CVSC and sends information to mainframe for further actions. There are smart scales at logistics department, they get information from mainframe and upload exact cargo (shown in contract) to vehicle. Moreover, "smart" scales can weigh vehicle and determine the capacity of cement the vehicle can fit. Upon leaving the plant there are another smart scale which checks again the shipment capacity and if it corresponds with amount in the contracts, allows vehicle to leave the plant. In case of mismatch it alarms to managers' mainframe.

As is has seen from examples AhangaronCement JSC successfully applying ICTs in optimizing production. Both approaches help to minimize labour cost, production time, logistics costs and frauds in the company. Procedural communications are used in controlling costs, checking regimes, setting terms for testing innovations, etc. Communication with the external environment (with suppliers, partners, customers, consumers, government bodies and institutions, political structures and public organizations) is of great importance in innovation management. The effectiveness of communications depends entirely on the organization of information transfer processes and the optimality of its use.

Conclusion

Technological (Ehlers *et al* 2016) development through ICTs, as the most important factor and an important prerequisite of general development encompasses the development and application of new technologies and imposes the need for restructuring of existing, as well as designing new plants with new settings. In this paper, the importance of ICTs and development of Industry 4.0 concept were presented. Furthermore, the adoption of Industry 4.0 concept in Uzbek cement production industry in case of AhangaronCement JSC was analyzed. The main concepts of the future manufacturing have been identified and current stage of Uzbek cement manufacturing technologies in terms of Industry 4.0 requirements has been defined. Some gaps between current situation and Industry 4.0 requirement were identified. The research showed that involvement of ICTs and Industry 4.0 concept at industrial enterprise are worth to invest.

¹ i.e. temperature, pressure final product quality.

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THE IMPACT OF THE COVID-19 OUTBREAK ON SOCIAL COSTS OF TOURISM TO THE SRI LANKAN ECONOMY

C L De Silva¹, Prof. D A C S De Silva²

ABSTRACT

The number of confirmed COVID-19 cases has risen rapidly, first in the PRC, and recently globally, pointing out the multiple channels that affect the economy and quantifying potential impact scenarios. On several channels, the COVID 19 epidemic impacts economic activity in Sri Lanka, the rest of developing Asia, and the world. These include a rapid but temporary decline in domestic consumption in Sri Lanka and other emerging economies, and potential investment affects the outlook on potential industry activities. However, the business-related tourism and travel failures spilled over lower demand in other sectors and economies through trade and production links; supply interruptions; This study estimated the WTP for individuals during a pandemic outbreak to reduce tourism risk in three Sri Lankan cities. The demand curves and social costs of tourism were contrasted in three cities by implementing the DCCVM method, and WTP values were generated. Second, residents of tourist attractions were observed by WTP to reduce the adverse impact of tourism on their communities after the COVID-19 pandemic. It was a new approach, and their interests are still ignored, although people's role in tourism studies and practice has been recognized. Our research indicates that most individuals would compensate for reducing risk and action in response to the pandemic and that there was no significant difference in the WTP in the three cities. Second, era, salaries, and tourism employment have greatly affected citizens' WTP. The willingness of younger people to pay more for risk avoidance was one impressive outcome.

Key Words- COVID-19 Outbreak, Social Costs, Tourism, The Sri Lankan Economy.

Introduction

The number of COVID-19 cases confirmed has increased rapidly, first in the PRC and recently internationally, and it points out the different channels that influence the economy and quantifies the possible scenarios for impacts. The COVID 19 epidemic affects economic activity in Sri Lanka, the rest of developing Asia, and the world on a variety of platforms. These include a rapid but temporary decline in Sri Lankan and other emerging economies' domestic consumption and likely investment if it affects the outlook on potential business activities; failures in tourism and travel especially related to the business; spilling over of lower demand in other sectors and economies through trade and production connections; Interruptions to production on the supply hands.

The Social Costs and Benefits of Tourism for Destination- COVID-19 Pandemic

In several observational studies, however, the social costs and benefits of tourism for destination societies have been analysed, and the costs and benefits among stakeholders are heterogeneous. Nevertheless, few studies on the social effects of tourism of the recession have been quantified for resort

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residents. Tourism reports have begun to discuss travellers' risk perception and crisis management principles that primarily originate from customer behaviour surveys. The effects of disasters on transport agencies or destinations have not been studied, so local people's expectations are generally lacking. The social costs for inhabitants of tourism attractions in the COVID-19 pandemic have been calculated employing the latest study of contingent valuation methods. Indeed, residents are expected to reimburse for the effects of COVID-19 to minimize the detrimental implications or social costs of tourism during the pandemic, which is one of the significant areas (Yu, Li, Yu, He, & Zhou, 2020).

The Impact of COVID-19 and The Inbound Tourism

As per the distribution of COVID-19 raises inbound tourism and considering raises the burden on the local health care system, the population of the destination is the most affected. The analysis was also carried out based on residents' risk expectations. Tourists prefer to stop travel to infected destinations while a pandemic occurs; in the meantime, locals aim to reduce the dangers of tourist visitors who could transmit the infection.

The Industry of Tourism -Sri Lanka

Tourism has been one of the most critical service sectors in Sri Lanka and has become an engine of economic development. Travel and tourism added 12.5 percent in 2018 to the country's GDP. In the Sri Lankan economy, the tourism sector plays an important role, having reached third place in its contribution to foreign exchange earnings. In 2018 (SLTDA, 2018), the contribution amounted to 15.9 percent. Total earnings decreased to USD 3.7 billion in 2019 (SLTDA, 2020) from USD 4.4 billion in 2018, showing the worst hit among other top foreign exchange-earners. While tourism continued to record a two-digit growth rate at the end of the civil war, the growth rate has plummeted due to the Easter Sunday attacks in 2019, causing a tourism revenue loss of USD 1.5 billion (see Figure 3.10). However, Sri Lanka's tourism has regained an unexpected increase in arrivals due to the cumulative increase of arrivals. Governments, Sri Lankan military forces, the Sri Lankan Tourism Development Authority (SLTDA), and the Sri Lankan Tourism Promotional Bureau (SLTPB) are making efforts (Samarathunga, et.al, 2020).

The Objective

The latter scenario was analysed to assess how the inhabitants of tourist destinations view the possibility of tourism during a pandemic and calculate how likely they are to surrender the economic gains to escape its social costs. All Sri Lanka regions were selected to estimate the social costs of tourism during the COVID-19 pandemic to achieve the research mentioned above objective. Sri Lanka has reported 5,538 cases (19 October 2020), making them the most seriously affected.

- How do stakeholders view tourism's adverse effects during a pandemic?
- Are stakeholders willing to pay for COVID-19 risk reduction increased by tourism (and, if so, by how much), and does the willingness to pay (WTP) differ by location and number of visitors?
- In the three destinations under review, what are the social costs of tourism because of a pandemic?

Research Questions

In this analysis, the above scenario was analysed to decide how tourism-prone inhabitants of tourist destinations view the prone of a pandemic and how readily they surrender economic benefits to escape their 'social expense.' Both regions in Sri Lanka were chosen to quantify the social cost of tourism at the COVID-19 pandemic to accomplish the above research objective. With 4,252 cases confirmed to date (10 October 2020), Sri Lanka has been the most critically affected.

- When do people sense the detrimental impacts of a pandemic on tourism?
- Are people willing to pay for COVID-19 risk reduction enhanced by tourism (and, if so, how much), and does the Willingness to pay (WTP) differ by city and population?
- What are the social costs of travel in the three destinations surveyed attributable to a pandemic?

Theoretical Approach

The following theoretical and functional contributions are given. The results add with the growing body of literature on crisis management and the social impacts of tourism at the intellectual and analytical stage. The significant but not yet discussed the issue of the social costs incurred during a pandemic by inhabitants of tourist destinations is stressed. As per the triple-bound Dichotomous Choice Contingent Assessment Method (DCCVM) has been applied to model and measure WTP¹s to minimize tourism-related risk. This model will substantially reduce possible biases associated with the CVMs² contingent valuation method. According to remaining knowledge, this is one of the experimental studies to use a double-bound DCCVM-based model, the previous literature's traditional approach (Farzanegan, et.al, 2020). Throughout the COVID-19 pandemic, social costs of tourism were quantified and contrasted among the three research destinations. At the realistic stage, local councils and tourism associations will use the survey results to establish policies for disaster management and develop suitable recovery strategies. This result may also underpin legislative and action initiatives to avoid resident losses before or during a lockdown for local government agencies in destination cities and regions.

Plan of The Study

The following sections describe questions of study by a review of literature. However, the final segment outlines the investigation methodology, and the WTP survey's investigation architecture focused on hypothetically focused secondary evidence. Often discussed are the possible determinants of WTP. This section also provides descriptive figures for all areas. The final part also deals with the analytical observations, and the last part ends the report. Tourism's social effects have overt, indirect, and inducing repercussions on the target market, and community and social and economic costs and benefits differ between stakeholders. However, many of the study activities were focused on assessing the economic costs and benefits of tourism, with an only conceptual discussion of social costs and benefits. There have recently been several inquiries into the different societal costs and advantages of tourism, focusing on city services and public infrastructure traffic congestion. A growing array of literature documents of tourism, where it has become increasingly popular as a tourist destination." There are also threats of gentrification due to Airbnb rentals, and the dissatisfaction and opposition of urban inhabitants worried about the social-environmental costs of tourism. Moreover, scholars studying the economic effects of tourism have recently started

¹ Willingness to pay

² Contingent valuation method
Akaike information criterion

evaluating the social risks and advantages of tourism destinations and landscapes. The social influence of tourism, such as the rising cost of real estate, the supply of accommodation and property, representation of culture and heritage, jobs in the tourism and hospitality industries, overcrowding, and the social power of transport over economic and ecological evaluations, can be calculated.

And damage to the well-being of human citizens. However, it is also impossible to accomplish these steps since the society's effects are typically subtle and chronic, and their views differ from the expectations of a culture. In line with previous research on the tourism effects of disasters, this study indicates that a disaster situation may be a point of reference for determining the situation's social costs. The intrinsic difficulty of estimating the social costs and advantages of tourism during emergencies has been shown previously. A crisis will alleviate the negative expectations of citizens of tourism. Some findings indicate that an economic recession raises people's ability to promote tourism, as it lowers their view of tourism costs considerably. Residents become more tourist tolerant and value sustainable growth in an economic downturn. The cost-benefit balance can vary among clusters, and the individual levels of contribution of residents to the tourism and hospitality sector may decide their attitudes (Nicola, et.al, 2020).

Conversely, a recession will worsen the adverse effects of tourism. A contaminated persons' flood into a tourism destination during a pandemic could have significant public security implications. Some research has analysed the shifts in citizen cost-benefit evaluations in reaction to litigious incidents recently and indicated that the news media can intensify residences views of tourism's adverse effects. In contrast, citizens' social dimensions, similar to their social cluster and cultural backgrounds, may contribute to a more thoughtful approach towards crisis. More research about Sri Lanka has also demonstrated the value of calculating the perceived negative influence of tourism in periods of crisis to reduce the harm caused by negative perceptions. Risk identification and tourism, during a pandemic, are two major frameworks for most policymakers, namely the identification of risks at the personal level in conjunction with "demand" and a certain amount of management related to the disaster in the aggregate "supply" actions. Nevertheless, the perceived danger associated with tourism relies on visitors' experiences rather than on destination societies' experiences and mostly on customer behaviour research. Risk and safety concerns were generally analysed from a visitor's viewpoint to evaluate why visitors differently view risks and what affect these perceptions. Risks associated with tourism may be linked to extremism, conflict, social unrest based on political or criminal problems or health issues, particularly in Sri Lanka. Invite visitors to avoid a specific country, but this can be mitigated by previous interactions with visitors, familiarity with similar activities, behaviour, or cultural affinity with the destination. In previous research, however, the effect of crises on destinations or the tourism industry was a dominant subject from a supply-side perspective. Investigations focused on the effects of numerous crises on tourism, such as the global financial crisis (2007–2008), pandemic swine flu in 2009, hurricanes, the September 11 attacks on the United States.

Given the public's vulnerability posed by the influenza epidemic's hectic media coverage, several reviews have also discussed the impact of the swine flu pandemic on destination planning. However, in recent reviews, it is highlighted that management of the tourism crisis should consider destination people's well-being. The exponential developers of mass tourism and the resulting expansion of tourism facilities in some destination regions have contributed to ecological crises. It has been seen that both the economic contributions of tourism and the related social-environmental threats affecting their sources of survival are known to local tourist destinations (Wen, Kozak, Yang, & Liu, 2020). Also, it was found that attitudes and reactions to on-site risks, such as gentrification linked to tourism, vary between various classes of locals.

Moreover, the residents' and their representatives' priorities in managing a tourist destination like disaster management and the focus on researching residents' impressions of the risk are emphasized because their opinions are influenced by their unique experience that varies from that of tourists. The COVID-19 has now expanded up to many countries, in various regions (WTO, 2020) and unparalleled limits of the movement and actions of many countries' governments have been enforced, and global economic activity has plummeted sharply. Besides the health dangers for visitors, infected visitors could transmit the disease to residents and that massive global transport could transmit infectious diseases and pose health hazards to populate urban centres through a worldwide pandemic. Also, there is a high risk of population transmission of COVID-19 and other respiratory disorders, including seasonal influenza, transmitting due to travel between destinations.

Methodologies

Definition of the case study, Sri Lankans were the focus populations chosen to represent "homogeneity and heterogeneity" for the destination features, travel, growth and its negative effect, and the social and economic implications and the visibly negative impact of the COVID-19 pandemic. A "multilevel modelling approach to a contingent evaluation of three-bound dichotomous choice (triple-bound DCCVM¹)" was used in this analysis to assess how many locals would be able to pay to minimize the chance that a future WTP would amplify the chance of touring by COVID-19. In comparison to open CVM, where interviewees are asked to reveal their WTP explicitly, DCCVM requires interviewees to answer a series of dichotomous questions. From a cognitive perspective, binary options are more comfortable to respond to and provide fewer partial answers. The three-pronged DCCVM expands the DCCVM by providing respondents with an additional option, resulting in a more accurate WTP range, which provides greater certainty. A triple boundary DCCVM can produce statistically superior findings to those obtained by other DCCVMs with an acceptable sampling design. At the city level, however, social costs were created by adding the WTP values. Analysis of answers to the WTP questions in a contingent valuation survey is an analytical approach to evaluating economic principles by quantifying the importance of a studied feature or operation by individuals. A WTP-based CVM for public goods (resources or activities) assesses the gains (or costs) depending on hypothesis adjustments (Polyzos, Samitas, & Spyridou, 2020). CVMs are used to assess monetary measurements of improvements to the welfare system triggered by changes in public goods or amenities rather than market changes (Qiu, Park, Li, & Song, 2020). In consumer behaviour research, WTP has been widely extended because it reflects a rigorous gage of human beliefs or fears and can be interpreted as a clear antecedent of customers' buying intentions and behaviours. In tourism and hospitality research, WTP is used to qualify and quantify the "value" term for the non-market product and service, including nature and outdoor leisure attractions, cultural events, luxury hotel sustainability, and reduced carbon emissions. A numerical advantage (y^*) was thus related to the adoption of a given a choice, meaning that the usefulness of making the option and accepting it (y^*) was equal to the utility of keeping it (y^*). Furthermore, (y^*) was deemed to be individually unique and to be connected to a linear combination of individual features and the offer as per the following equation.

$$y^*i = \alpha + \beta Xn + \gamma \ln bidn + \varepsilon,$$

¹ Dichotomous choice contingent valuation model

Where X_n represents a matrix of the characteristics of individual n ; bid_n is the presented bid; ε is the "error term; and α, β, γ are model parameters." The natural logarithm is employed on the variable bid_n so that the coefficients can be directly referenced as elasticities.

Survey Design

The survey population comprised the residents of the southern district of Sri Lanka, Galle, Matara, and Tangalle. The survey electronically to a random sample of this survey population. A pilot survey was first conducted with 305 respondents to test the questionnaire's validity and initial data. Subsequently, the primary survey was conducted during August and September 2020, with 1627 valid samples being collected for the main study, comprising $n = 520$ residents of Galle, $n = 503$ of Matara, and $n = 604$ of Tangalle. The survey comprised three parts. In the first part, questions covered residents' risk perceptions toward the negative impact of tourism on their city amid the COVID-19 pandemic. Based on the pilot survey, nine items were selected, covering three health risk elements, which are based on cross-infection, shortage of medical supplies, the difficulty of prevention, and patient tracking. Moreover, the three elements of the adverse effects on social life are social panic and instability, commodity shortage, environmental degradation, and three elements of the adverse effects on tourism, such as reputational impact in tourism and host-guest conflicts and xenophobia. The results from this part of the survey measured residents' perceived risks of tourism in the three cities, as mentioned above: the negative social impacts of the pandemic on these cities insofar as they are augmented by tourism. The third part of the survey comprised questions regarding the respondents' demographic characteristics such as sex, age, education level, and two questions on factors potentially influencing WTP, such as tourism employment and COVID-19 infection of the respondent his/her acquaintances (Donthu, & Gustafsson, 2020). However, investigation assumed that infected individuals and those acquainted with an infected person would generally have more proactive attitudes toward compensating for the pandemic's damage and would be thus willing to pay more to reduce the risks of tourism activity.

The Findings

WTP and Its Determinants

Multiple models with various combinations of influencing factors were calculated using the triple bound DCCVM, and the best models were selected according to the Akaike Information Criteria (AIC). The general-to-specific procedure was followed mainly by the model selection process. By recursively removing the model's insignificant and irrelevant variables, the possible influence factors such as demographic variables used in the initial model and the changes in the model estimates were made based on AIC. Different combinations of demographic groups were included in this process. The three-border DCCVM was used according to the Akaike Information Criteria (AIC) to test multiple models with combinations of different influencing factors and select the best models. The model selection method was primarily the general result of a single method that cantered on AIC, reminiscent of irrelevant and insignificant considerations, potential variables such as demographic variables.

Table 1. WTP and Its Determinants

WTP	Galle	Matara	Tangalle
Mean	304.10	310.59	303.60
Median	206.12	225.15	201.72
Variables			
Middle aged group	-0.524	0.028	-0.360
(Age 25–54)	(0.246)	(0.201)	(0.187)
Senior group	-0.5782	-7.1769	-0.6114
(Age 55 or above)	(0.3442)	(23.212)	(0.4407)
High income group	0.4586	0.3320	-0.0549
(Above Average-Age)	(0.1806)	(0.2159)	(0.1799)
Tourism as an employment	-0.7243	0.6304	0.4763
	(0.3793)	(0.2420)	(0.2395)
ln(<i>bid</i>)	-1.6846	-2.0801	-1.9175
	(0.1008)	(0.1186)	(0.0914)
Intercept	9.2586	10.6813	8.8033
	(0.5735)	(0.6501)	(0.5067)
Number of obs.	519	502	603
Log-likelihood	-582.39	-535.60	-692.97
AIC	1175.79	1082.22	1396.95

Observes: as 95% confidence interval in categories; standard error as parentheses.

Source- Survey (2020).

Conclusions

During a pandemic outbreak, this study estimated the WTP for individuals to minimize tourism risk in three cities in Sri Lanka. In three cities, the demand curves and social costs of tourism were contrasted by implementing the DCCVM method and generated WTP values. Second, visitor attractions residents have been studied by WTP to minimize tourism's detrimental effect on their populations after the COVID-19 pandemic. It was a modern approach and, while the position of people in tourism studies and practice has been acknowledged, their interests are still overlooked. Also, residents play an essential part in flattening the curve of emerging pathogens in a crisis, gaining from a reduction in tourism profits at the same time. As people are essential players in the reaction to the outbreak and recover from it, their WTP has the essential consequences of minimizing a pandemic's risk. Our study reveals that most people can pay for the danger reduction and intervention in reaction to the pandemic and that in the three cities, there was no substantial variation in the WTP. Second, the WTP of citizens has been heavily influenced by age, wages, and tourism jobs. One remarkable result was the willingness of younger people to pay extra for risk reduction. This may be related to the fact that young people are more technologically advanced than elderly adults and are more frequently exposed to the media, allowing younger generations to access the latest pandemic updates in real-time. This suggests that local councils and tourism organizations, potentially more empowered and educated, must include younger generations in disaster management following the pandemic. Thirdly, Galle, Matara, and Tangalle's social expenses differ according to characteristics compared to their urban and visitor growth and the routes of infection of COVID-19.

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REVIEW OF RETAIL BANKING & ITS CONTEMPORARY TRENDS IN INDIA

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ABSTRACT

The landscape of India's financial sector has changed to a greater extent in the last two decades. After the emergence of some new banks, this sector has developed a lot. Especially on the retail side, the Indian banking sector made the most considerable portion of the development. Retail banking services broadly correspond to the banking services providing in the intermediate phase of the evolution of banking. The retail banking sector has become the critical driver of growth for the Indian economy. The rising retail lending industry has made a significant contribution to economic growth. The retail banking industry that has been developed in India accounts for a fifth of all banks' loans. The credit demand for retail has shifted decisively from the market for a seller to a buyer. In the banking industry, retailing holds strong place, in market sense. However, according to international norms, retail banking in India still has many reach many milestones. The present chapter is all about the emerging trends in retail banking sectors nowadays. This trend will be described by showing trends in the loan amount, a variety of growth rates in retail sectors, and showing the number of branches and ATMs. Besides that, opportunities and challenges of Open banking and E-Banking will also be shown to make a concrete future projection or scope for further research on retail banking, and its allied issues.

Keywords: Financial Sector, Retail Banking, Non-Entrepreneurial Person, Growth Rate, Challenges, Open Banking, E-Banking.

Introduction

Retail banking is where a bank transacts exclusively with customers, not companies or other banks. Offered services include deposits, brokerage plans, investments, bank loans, debit cards, and cards. Retail banking today is seen by numerous commercial, public sector banks, private, and international banks as one of the most creative financial services.

Countries such as China and India have arisen as future markets where investment opportunities have improved. More retail lending growth can be due to the rapid growth of personal income, a favourable demographic trend, rapid IT creation, favourable macroeconomic conditions, financial market reforms, and small side factors of supply at the micro-level. In India's rising economy, retail banking has played a crucial part. Retail banking now includes the industries, and everywhere it is possible to deliver banking services efficiently to customers.

If it means a service kiosk in a subway station, a mini branch in a convenience store, an award-winning branch in a Central Business Area, or a bank on wheels visiting business locations, it ultimately matters

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more than a conventional bank façade for individual clients. As India's growth history unfolds, retail banking will be a significant driver. India's economy grew by an average of 6.8 per cent over the ten years after 1992 and continues to expand at the same rate — while not many countries in the world do so.

Retail banking is a type of banking that provides financial services to individuals, households, and families. Mostly they work on deposits, credits, and money management. It is a sort of banking that is provided to people of all classes in society, and in this way, it enhances savings tendency even in lower-income class people (Pond & Hloucha, 2017). Retail banking accumulates a large number of small deposits, which is converted to a large sum of capital as a whole. In this way, it contributes to economic growth.

It will be accumulating deposits and sanctioning loans to families and keeps a continuous flow of money to the economy. Though differences between the loan interest rate and deposit interest rate are the primary source of revenues of retail banking, they also gain revenue by imposing charges on various services they provide to their clients such as locker services, credit card services, debit card services, etc. (Khromov, 2018).

Contemporary Trends in India Retail Banking Sector:

For individuals, retail banking is the only visible face of financial service, and it is not a new phenomenon. As there is less opportunity for innovation in providing banking products, similar products are marketed under different attractive names with slightly different features.

In recent ages, retail banking, mainly retail lending, has become a key profit maker for the whole banking industry (O'Reilly, 2015). Why and how this happening is explained as below by describing the following trends:

1. Because of facing a higher rate of bad loans incorporate the bank sector, banks;' exposure rate has been reduced in the corporate sector, and more opportunities have been provided in the retail banking sector, This is why the retail banking sector became the key growth driver of the economy within the past decade.
2. India's retail banking lending has grown annually by 16.2% at a compound growth rate. Over the financial year 2013 to the financial year 2018 period. That is why the Indian retail market is one of the emerging markets in the current world (Minimol, 2013).
3. Although mortgage loan reduced by 3% in 2018, decreasing to 51% from 54% in 2015, credit card loans have increased faster and counted for 22.5% annual compound growth rate.
4. According to RBI data, advances to the personal retail sectors stood at Rs.22.5 lakh crores. Furthermore, in between that amount, home loans made for about half the amount, Rs 11.8 lakh crore ("BOI | Bank of India," 2020).
5. However, the retail loan growth rate slowed down in the first pace of 2019 at 15.7% from 19% in April 2018.
6. The increment of the unsecured loan, about 35%, is going to be a matter of concern for retail banking.
7. Within three years, internet banking users grew from 22 million to 50.9 million, and the number of ATMs snowballed.

Trends in loan amounts of different financial years:

The trends in loans amounts are shown below: (Amount in Trillions)

Type of loan	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Mortgage loan	5.4	6.3	7.5	8.6	9.7	11.4
Vehicle loan	1.3	1.2	1.5	1.7	1.9	2.1
Credit card loan	0.2	0.3	0.4	0.5	0.7	0.9
Others	3.4	3.8	4.5	5.4	6.8	7.9

Table 1: Trends in loan amounts ("Reserve Bank of India", 2020)

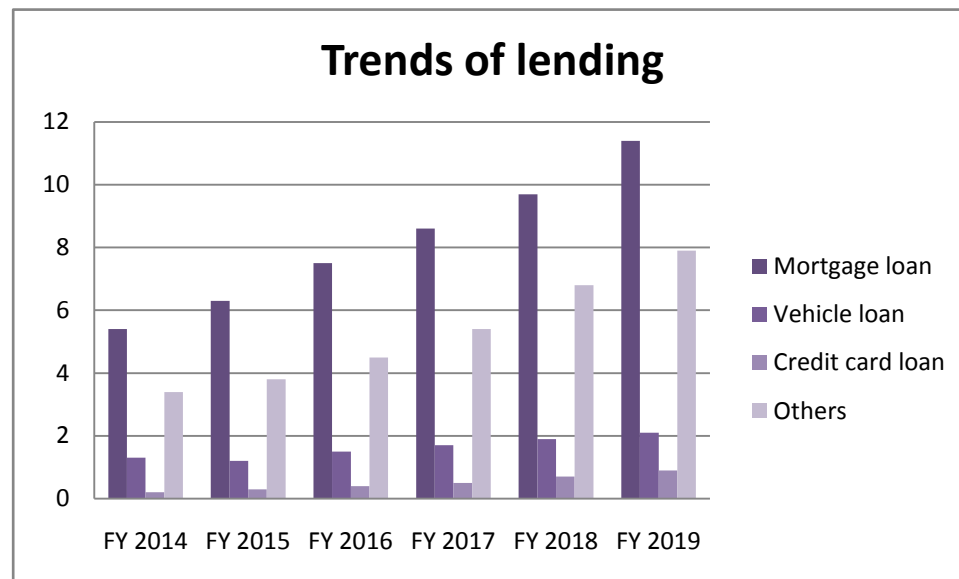


Figure 1: Trends in loan amounts

This chart shows the upper trends of the variety of loan amount of retail banks in several financial years.

Impact of COVID-19 on the retail banking sector:

The COVID-19 pandemic has had a significant impact on the global economy. The stringent controls at lock-down have also transformed everyday life, with retail banking customer behaviour. In the case of retail banking in India, the COVID-19 crisis has changed the market mindset. Retail customers had to use more digital payments to the detriment of cash and the existing digital platforms to adapt the latest channels and technology to their advantage.

The COVID-19 pandemic has had a substantial impact on the banking sector to fulfil household and industry demands and difficulties following the rigorous lock-down measures that have been placed in place

to minimize coronavirus spread. Many governments have issued government guarantees on bank loans and accepted a moratorium on credits to aid consumers with a lack of liquidity.

The influence of COVID-19 on the banking sector includes intensifying digital platforms and digital payments, evolving customer conduct, easing some regulatory and monitoring requirements, and emerging problems in terms of organizational resilience and reliability.

Number of branches and ATMs in some years:

The top five banks of India with the number of branches and number of ATMs are given below:

Name of Bank	Number of branches	Number of ATM
State Bank of India	26350	60000
HDFC Bank Ltd.	4900	13000
ICICI Bank Ltd,	4870	14367
Axis Bank	4000	12700
IndusInd Bank Ltd.	1558	2450

Table 2: Number of branches and ATMs of top 5 banks ("BOI | Bank of India", 2020)

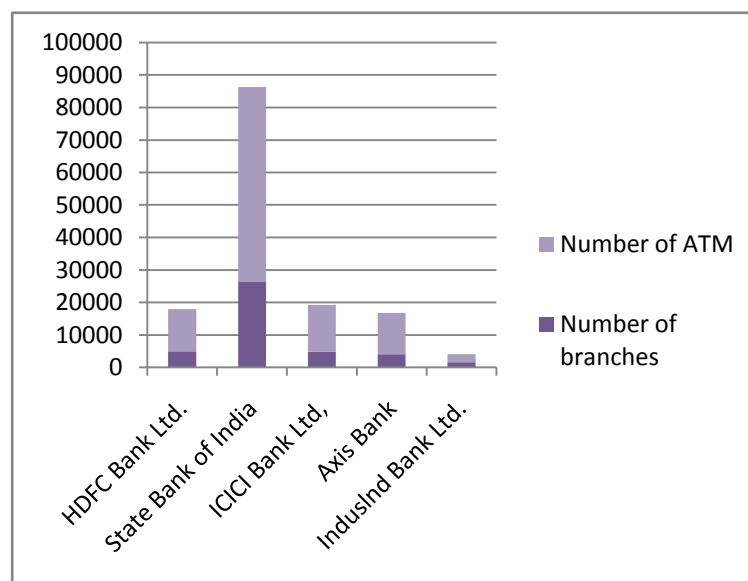


Figure 2: Number of branches and ATMs of the top 5 banks

From this chart, it can be easily said that the Indian banking sector is on a digitalization path. Banks have a large number of ATM, which facilitates customers' transactions.

Recent Development and new investment:

- 32 Mergers & Acquisition activities have been conducted in the financial year 2019.

- In the financial year 2019, the Non-Performing Assets of commercial bank recovered at amount 156746, and it is 400000 crore for the last four years.
- Indian Bank and Allahabad Bank merged to consolidate ten banks into the large scale lenders.

Recent achievements in banking sectors:

- Statistics say in March 2019, the number of credit cards and debit cards issued was 47 million and 925 million, respectively.
- About 204000 PoS (Point of Sales) terminals have been provided from the financial inclusions funds to improve the villages' infrastructural condition.
- According to the RBI report, in FY2019, India's foreign exchange reserve stood at about US\$ 416 billion.

Reasons for the Increment of Shares in the Bank:

The retail banking sector of India has grown rapidly. There are several reasons the make this rapid increment in shares and growth of the retail sector. Some of these are given below:

1. In the last two decades, India's economy grew at an average of 6.2%. It resulted in higher purchasing power of citizens and eventually contributed to the development of the retail bank.
2. India has a large proportion of the active or young population, about 70%. These demographics indicate vast potential consumption, which contributes to the development of banking sectors (Nageswara Rao, 2015).
3. Technological adaptation and continuous technological innovation helped the retail banking sector to adapt to the advanced time.
4. Lessening interest rate also has a significant contribution to the rapid growth of retail banking.

Challenges & Opportunities:

In retail banking sectors, there are immense opportunities to grow up. Besides the opportunities, there are some challenges as well.

Opportunities:

- **Increase in the middle-income family:** In a country like India, where middle-income people are growing, it is a little bit easy to make a customer base.
- **A high proportion of active citizens:** The more active citizens, the more will be the per capita income. The young generation is important for their purchasing power and assets for a bank because of their financial engagement (Minimol, 2013).
- **Growing economy:** Economic growth, individuals' variety of needs of banking services work as opportunities for the banking sector.

Challenges:

- **Technological Innovation:** The emergence of technological innovation gradually changes the way retail banker do their business. It is hard to adapt to newer things gradually (Prendergast, 2014).
- **Rising indebtedness:** Middle-class people have aspirations about life, and this makes them lending more than their repayment ability. With the increasing number of middle-class people, this problem rose to a greater extent.

- **Customer retention:** Nowadays, the customer's switching tendency is too higher to retain them for longer-time (Dr.S & Dr.C, 2020).

Challenges and Opportunities for Open Banking and Internet Banking:

Open Banking:

Open banking is a banking service by which banks provide their services through third-party providers (TPP) only to the extent of customers' approval. Application Programming Interface, which is known as APIs, allows TPPs to access the personal information of customers (Prendergast, 2014).

Opportunities for Open Banking:

- **Consumers will be benefited and attracted:** In open Banking services, a full financial profile will be set in one place. Clients will see about all deposits, expenditures, fees, interest charges, internet income on multiple accounts, and so on. That is why it will be appealing for them and may grab the market.
- **Customers' perception became change:** Over time, customers' perception gradually changing positively about open banking processes, and some banks already showed progress about acquiring customers for this new system.

Challenges for Open banking:

- **New Technology:** This new banking model is a little bit tough. That is why banks not only need to make the best website but also the best alignment and coordination between all these things is necessary, and this is a challenging task.
- **Cybersecurity:** A common coordination with cybersecurity is needed to ignore or deal with any cybercrime. Moreover, it is tough to keep this kind of coordination.
- **Educating customers is crucial:** Besides all these things, banks need to communicate with their customers. It is a hard thing to understand about this modern model. Banks need to conduct a communication campaign.

E-Banking:

E-banking gives customers a fast and convenient way to manage their money. Direct deposit is a form of banking that requires customers to have a routing number so money can be deposited into their account automatically. E-Banking is the most efficient feature until now and can make a revolution in the banking sector (Dr.S & Dr.C, 2020).

Opportunities of E-Banking:

- **Increasing internet users:** In this age, people have minimal educational qualifications accustomed to internet browsing, which is a more significant opportunity to promote and sustain internet banking.
- **Computer literacy:** Computer literacy is an essential thing for the current time. People nowadays feel interested in knowing about computers and its function, and some organizations make this possible even at free of cost, this opens new stages for e-banking growth.
- **Competitive Advantage:** The bank's introduction of e-banking is in several ways advantageous, as it decreases bank expenses, strengthens the client relationship, expands the bank's geographical scope, etc. E-banking has become an advantage for banks to run their businesses in a better way.

Challenges of E-Banking:

- **Fear of online threat:** There are a large number of hacker's experts at hacking a more substantial site. These are the reason some people still fear transacting over the internet.
- **Difficult for first-timers:** People having less knowledge about internet browsing find it challenging to use e-banking.
- **Preference for Traditional system:** Some people still prefer traditional banking; especially officials complete their transaction at their lunch break.

Future Projections & Conclusion:

India's Retail sector is in a growing mode. The customer base held by the retail banking sector of India is a stable source of deposits. In this condition, it is needed to be innovative and relationship-oriented to retain the market for a longer time frame (Burgstaller, 2017). As there is higher competition existed in the sector, it will help to enhance the bank's efficiency, and as a result, more quality banking products and more specialized service may have delivered soon, which leads to higher productivity than before (O'Reilly, 2015).

A paradigm shift in bank financing through innovative products and mechanisms that requires constant updating and revalidation of the banks' inner structures and processes is required for tomorrow. Retail is also a catalyst for growth in the banking sector; this includes product creation and distinguishability, creativity and re-engineering of business operations, micro-planning, marketing, prudent pricing, personalization, updating infrastructure, home / electronic/mobile banking, cost-cutting, and cross-sales.

Retail banking is also one of the leading sectors for the bank sector as it makes 7% of Indian GDP and 14% of Indian jobs. Besides that, India's banking sector is in a good manner in technological innovation, which will also help this sector grow in the future. How far retail banks can go in the future depends on the capacity building of them. Continuous market research, differentiation, technological up-gradation can help to move forward. Besides, by eliminating the challenges of e-banking and open banking, a major transformation can be made in the Indian banking sector.

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PROSPECTS FOR INCREASING THE COMPETITIVENESS OF THE NATIONAL ECONOMY THROUGH THE DEVELOPMENT OF INNOVATIVE ACTIVITIES

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ABSTRACT

The article addresses the issues of increasing the competitiveness of the national economy. The objective necessity of forming a competitive economy and the factors influencing it are studied. The importance and impact of innovative development in enhancing the competitiveness of the national economy in modern conditions is well established.

The article also analyzes the role of innovation in ensuring economic stability in Uzbekistan and the existing opportunities for the development of innovative activities, the dynamics of innovative activities in enterprises and organizations. The conclusions and recommendations section provides recommendations for the development of innovative activities to increase the competitiveness of the national economy.

Key words: *national economy, competition, competitiveness, innovation, innovation activity, modernization, infrastructure, innovation potential.*

At present, under the sign of globalization, there is a problem of increasing the competitiveness of national economies. It can be said that for most countries, increasing national competitiveness will remain one of the priorities for the coming decades. In addition, in the world economy, the problem of competitiveness has become one of the most actively developed and controversial issues in the last 20 years.

Competition is one of the most important features of a market economy, it ensures the creative freedom of the individual, creates conditions for its manifestation in the economic sphere through the development and creation of new competitive goods and services. At the present stage, the issue of economic competitiveness is one of the key issues in the development of the country's economic development strategy.

The need to increase the competitiveness of the national economy arises at the present stage of development of market relations through the intensification of competition, a serious limitation of the strategy, mainly aimed at the export of raw materials.

The process of bringing finished products and services to international markets necessitates the development of innovative, scientific, and technical factors based on significant structural changes in the economy. The current stage of development of the Uzbek economy raises the issue of ensuring a high level

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of competitiveness at various levels of the globalization economic system through the formation of modern market relations. Modernization of the economy and its sectors, technical and technological renewal will lead to diversification of production in these sectors, which will ultimately increase employment, improve living standards and ensure sustainable economic growth in the country. The current economic system and the level of economic development of the country serve to form opportunities for the effective use of factors that ensure the competitiveness of the national economy.

It is important to identify the factors that affect competitiveness in the study of ways to increase the competitiveness of the national economy. In practice, many methods and indicators are used to determine the competitiveness of the national economy. The formation and enhancement of the competitiveness of the national economy depends on a number of factors.

There is a wide range of information in the literature on the factors that increase the competitiveness of the national economy. There are currently two main approaches to their definition: the neoclassical approach (M. Porter); institutional approach (O. Williamson).

According to Porter's neoclassical approach, the competitiveness factors of national economic systems are divided into basic and advanced. The first is objective and requires little private or or public investment to create. Such factors include natural and climatic resources, the economic and geographical location of the country, labor, and so on. Often, the benefits created by such factors are unsustainable and the benefits of using them are low.

Advanced factors are evaluated as high-order factors. Their creation usually requires highly qualified personnel and high technology. Additional development factors can also be created based on advanced factors.

According to O. Williamson's institutional approach, the competitiveness factors of the national economy can be general and specific. The first is the factors that can be used in many industries, and the second is what can be used in a single network or in a limited number of things.

Table 1 : Grouping of competitiveness factors of the national economy of the country

Competitiveness factors of the national economy			
Approaches	Author	Type of factors	Applicability properties of factors
1. Neoclassical	M.Porter	- Main; - developed.	-natural and climatic resources, economic and geographical location, labor resources, etc .; -highly qualified personnel, modern technology innovations.
2. Institutional	O. Williamson	- general; - Specific.	- factors relevant to all sectors and industries; - factors in a particular area or a limited number.

The transition of our economy to innovative development through the implementation of market reforms, the country's integration into the world community, the growing role of knowledge and information in the world economic system, the strengthening of ties between new technologies and the capital market is very important. It is essential to develop infrastructure that will ensure competitiveness through the widespread implementation of innovations in the production process, the acceleration of innovation in enterprises and the constant renewal of products and services.

The concepts of "innovation", "innovative activity" and "innovative potential" appeared in the twentieth century and began to be studied by scientists. The founder of the theory of innovative development is the Austrian scientist Josef Schumpeter. In his book "Economic Cycles" (1939), he first defined the concepts inherent in innovation processes and described innovation as a new structure of resources and means of production. Y. Shumpeter divided innovation into five areas:

- Provision of new equipment and technological processes or production on the basis of a new market;
- Creation of product types with new features;
- Use of new raw materials;
- Improving the organization of production and providing new innovative goods;
- Opening of new consumer markets [2].

Improving the mechanism of support for innovative activities in developed countries, encouraging their access to perspective industries and conducting research on the problems of their effective use is expanding. Particular attention is paid to the rational use of effective forms of venture capital funds for the implementation of innovative projects, the creation of innovative funds, taking into account commercial risks, the allocation of targeted grants for research, preferential taxation of universities and research institutes.

During the transition of the economy of Uzbekistan to the path of innovative development, the need for developing innovative activities, as other areas appeared. Accordingly, in the Actions Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 the following tasks are given "... the creation of effective mechanisms for stimulating scientific research and innovation, the implementation of scientific and innovative achievements, specialized scientific and experimental research at universities and research institutes establishment of laboratories, high-tech centers and techno parks" [1].

The mechanisms and directions of innovation processes in the world economy are changing day by day. At the same time, innovation is becoming a key driver of economic growth based on the intellectualization of the economy. Therefore, in today's environment, only an innovative and knowledge-based, high-tech economy can be competitive.

World experience shows that the continuous implementation of innovations that ensure quality growth in all areas has become a driving force of society and economic development. Today, the countries with the most innovative models of development and "smart" technologies are the most successful and sustainable ones. The sustainable development of such countries, their competitiveness in world markets is based not on the export of natural resources and the use of physical labor, but on innovative ideas and developments. At present, the share of innovative technologies in the gross domestic product (GDP) of developed countries is 60%. In a highly competitive environment around the world, the level of innovation activity affects the level

of economic development. Today a country or region that has created a favorable environment for innovation in a competitive environment is experiencing economic growth¹.

The implementation of consistent measures aimed at the development of innovative activities in our country, as well as the existing opportunities and potential serve as a program for the development of innovative activities in enterprises and organizations. The following table provides an analysis of the development of innovative activities of enterprises and organizations for 2010-2019.

Table 2 :Innovative activity of enterprises and organizations²

	2010	2012	2014	2016	2017	2018	2019
Number of enterprises and organizations that have implemented innovations:							
Technological	145	164	819	893	975	982	1514
Marketing	1	9	13	20	22	17	28
Organizational	3	14	20	20	26	25	45
Number of implemented innovations							
technological	462	624	1382	1816	1946	2482	4427
Marketing	32	17	41	51	62	42	128
Organizational	6	58	42	39	38	34	134
Volume of innovative products (goods, works and services) billion som	1849	3635,9	7043	10688,2	18543,3	28871,5	26811,4
Expenditures on innovations, billion som	264,4	311,9	3757,4	2571,4	4162,3	4707,2	6603,5

According to the information in table 2, the number of innovations were 500 in 2010, and it reached 4 689 in 2019.

The formation of a competitive economy is impossible without the transition of our country to an innovative model of development, it requires government support for innovative activities, creation of an effective system of incentives for the introduction of innovative ideas, developments and technologies in the leading sectors of the economy and the social sphere, as well as the development of innovative potential. One of the main means of influencing the country's economy and business activities is innovation policy, which is one of the components of state economic policy. With the help of innovation policy, the state can

¹ <http://zarnews.uz/uz/post/muhimi-innovatsionmuhit-yaratish>.

²Information from www.stat.uz

directly influence the growth of production, accelerate scientific and technological progress, change the structure of social production and solve social problems.

In recent years, the country has been systematically working to increase the innovative development of industries, in particular, the potential of science, technology, investment, intellect, infrastructure and skilled labor and their effective use. In particular, the special attention is paid for the ways to accelerate research and development, directions to increase the intellectual potential of the country, the methods to stimulate innovation infrastructure, mechanisms of effective implementation of the national innovation system and a number of other issues.

However, the processes of globalization and accelerated economic development, modernization of production and increasing diversification in the economy make the development and effective use of innovative potential one of the main challenges in increasing the competitiveness of the national economy.

In our opinion, the main directions of building a competitive economy by ensuring innovative development are followings:

- Formation of the National Innovation System (NIS);
- Availability and efficient operation of innovative infrastructure;
- Use of innovative marketing.

“The National Innovation System (NIS) is an interconnected organization (structure) of small and large companies, universities, government laboratories, technology parks and incubators engaged in the production and commercialization of scientific knowledge and technology within national borders. consists of Their interaction is ensured by a set of legal, financial and social institutions with strong national roots, traditions and unique political and cultural characteristics. ” The importance of the NIS concept as one of the most powerful analytical tools is based on the following three factors:

- Understanding the economic importance of knowledge;
- increased focus on a systematic approach;
- Increasing the number of institutions involved in the process of knowledge creation.

The analysis of scientific approaches to the development of innovative potential, advanced foreign experience and many economic literatures in this area shows Socio-economic development of the country, its competitiveness in foreign markets is scientifically based through the availability of developed innovative infrastructure.

The opportunity to increase the innovation potential in the country through the rational and effective use of market mechanisms is very wide. For this, first, it is necessary to pay attention to the fact that entrepreneurs must fully comply with market rules 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.

We believe that 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, consumer determines the dynamics of innovation potential. The field of innovation marketing is the innovative market. In this market, a single good or service can be represented as the ready product of a particular enterprise (research institutes or experimental design bureaus) at the “exit” and as the raw material by other companies at the “entrance”.

Innovative activity in the enterprise is determined not primarily by the tasks and opportunities to improve production, but by the results of a study of what consumers prefer in terms of new product descriptions. When launching a new product, the focus should be on testing the product on the market rather than testing it in the lab.

The unique feature of innovative marketing technologies is that they work not with a physically existing product, but with the concept, which is being developed. This makes it very difficult to conduct marketing research, in contrast traditional marketing.

Innovative marketing represents the systematic integration of the entire innovation cycle from the study of innovation market conditions and business design of an innovative project till its implementation to the market of innovation, innovation diffusion and income. Thus, the innovative marketing complex represents a set of practical measures to influence the target market and the potential consumer of innovation, as well as to operatively respond to changes of consumer needs in the competitive environment and consumer preferences.

To sum up, at the current stage of economic development, innovation is a key factor in increasing competitiveness. Not only in the example of one enterprise, but also in a particular sector or national and global economy, in the context of limited natural resources, innovative activities are aimed at developing their alternatives, creating resource-saving technologies and reducing environmental damage and it allows increasing sales volume and profits.

Because of the deepening of market relations, the formation of a healthy competitive environment, the production of competitive products becomes an objective necessity. In this case, the technical and technological renewal, modernization of production is important, and, of course, it is expedient to use the achievements of modern science.

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IMPROVING THE ACTIVITIES OF SMALL BUSINESS ENTITIES ON THE BASIS OF INNOVATIVE MARKETING TECHNOLOGIES

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ABSTRACT

The article highlights the development of small business and private entrepreneurship in ensuring economic development. The advantages and opportunities of small business and private entrepreneurship development are studied. In modern conditions, the importance of modern marketing technologies, including innovative marketing tools, in the development of small business is showed. The article also provides recommendations on the functions and tasks performed by innovative marketing and the use of innovative marketing in small business development.

Key words: *Small Business, Competition, Innovation, Innovative Marketing, Employment, Manufacturing, Innovative Product, Integration.*

The deepening of economic relations, the intensification of competition in the market and the spread of the COVID-19 pandemic around the world make it important to ensure employment and improve the quality of life. The main criterion for ensuring effective employment in modern conditions, improving the quality of life and welfare of the population is the development of small business and private entrepreneurship.

The special attention is paid for improving economic mechanisms for the development of small business and private entrepreneurship, including increasing the competitiveness of this form of entrepreneurship, ensuring the stability of the "business cycle", creating organizational and legal forms that fully reflect the positive nature of business relations and interaction with other forms of management.

Small business plays an important role in stabilizing the economy in developed countries such as United States, Germany, China, France, Japan and Italy. "According to the International Small Business Council (ISBC), the share of small businesses in all enterprises is more than 90%, in employment it's 60-70% and in GDP it is 50 %"⁵.

Uzbekistan is taking comprehensive measures to support and encourage entrepreneurship improve governance mechanisms and increase its efficiency.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 identifies important tasks to "Reducing state participation in the economy, protection of private property rights and further strengthening of its priority position, continuing institutional and structural reforms aimed at stimulating the development of small business and private entrepreneurship"[1].

The role of small business and private entrepreneurship in the economy and the objective need for its development are explained by the followings: Firstly, small business and private entrepreneurship is one of

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⁵MSME Day 2019. <http://www.intracen.org/MSME-day/2019/>

the key sectors of the world economy, the development of the sector directly affects economic activity in the country. In addition, the development of this sector depends on the saturation of the domestic market with qualitative consumer goods, the growth of foreign economic activity and the provision of effective employment and increase its real income. Secondly, in the process of globalization and economic integration, in the context of increasing competition in the world market, small businesses have the opportunity to spend less money than large companies, to adapt quickly to the changing demands of mobility and market conditions, to modernize production facilities.

Small business and private entrepreneurship are one of the tools for people to realize their initiative, entrepreneurial and property ownership skills. The formation of the middle class, the employment of the population and the level of national welfare depend on the level of development of this sector.

Because of consistent reforms implemented in our country in recent years, small business and private entrepreneurship are moving forward on the path of rapid development. In 2000, the share of small business and private entrepreneurship in GDP was 31%, and in 2018, the share of this sector reached 60,4%.

The advantages of small business and private entrepreneurship can be seen by increase in production of innovative products and services, formation of a competitive environment, ensuring the balanced functioning of the real and financial sectors, influence on the formation of the middle class and a sharp increase in tax revenues by filling the consumer market with goods and new services. (Figure1)

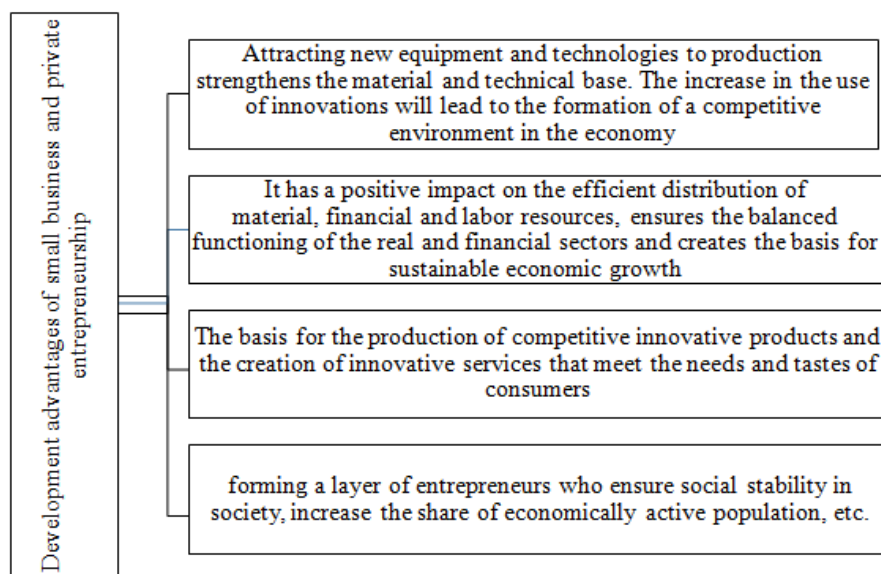


Figure 1. Advantages of small business and private entrepreneurship development¹

In modern conditions, the innovative activity of small business is one of the optimal tools for competition. Innovation is a key criterion for the emergence of new consumers and the inflow of investment in the production process. As a result, the rating of new product manufacturers will increase and the chances of conquering new modern markets will increase.

¹An author's summary of the scientific literature

The main purpose of the development of innovative activities of small businesses is to increase production efficiency through the modernization of the entire production system, increase the competitiveness of the industry on the basis of more efficient use of scientific, technical, intellectual and economic potential.

The development of innovative activities of small business and entrepreneurship and the widespread introduction of modern innovative technologies in the industry are important due to:

- Compactness, mobility of small businesses and low level of risk in the introduction of innovations in the production process give good results;
- Innovation and the introduction of innovative technologies in the activities of small enterprises reduces costs and increases profitability;
- The ability of small businesses to absorb innovation quickly allows them to generate high returns from the commercialization of innovation;
- The enterprise may have many opportunities y applying modern innovations in the management process of business entities. For example, increasing the nomenclature and range of products; increase sales of new products; development of promising markets for product sales and, most importantly, increase the export potential of the enterprise.

In recent years, the number of enterprises and organizations in our country that produce innovative products, works and services on their own is growing rapidly. The number of enterprises that introduced innovations in 2014 was 852, and the number of enterprises engaged in innovative activities has increased over the years, and in 2018 the figure was 1024.

The volume of innovative products and services is also growing from year to year. In 2018, the volume of innovative products and services will reach 28871.5 billion. sums. This figure is 4 times higher than in 2014 (Figure 2).

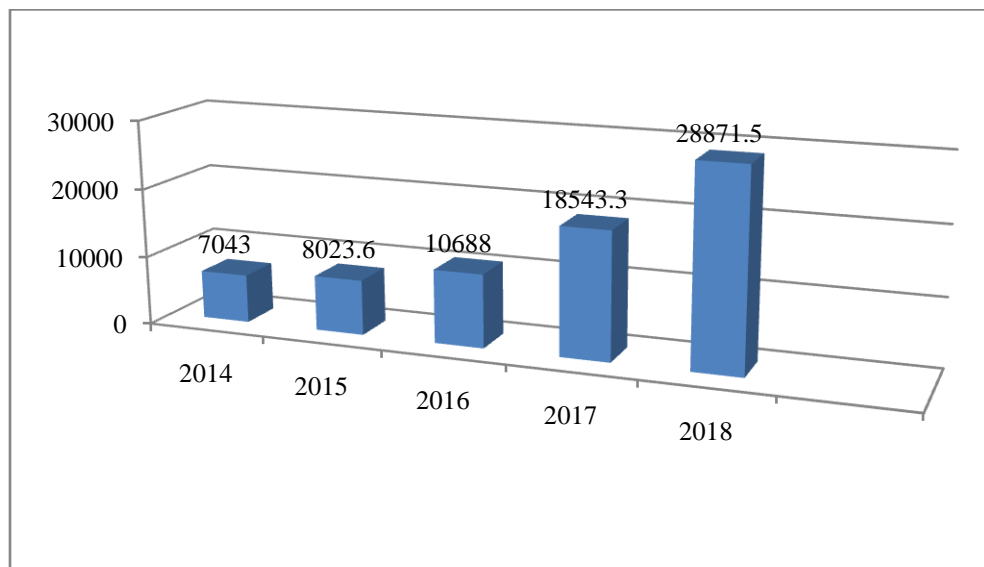


Figure 2. The volume of innovative goods produced by enterprises, in billions sums¹

¹Information from www.stat.uz

At the current stage of transition to market relations, the growing development of marketing theory and the intensification of competition are forcing companies to engage in marketing activities. Because the implementation of effective marketing activities helps to ensure the success of production entities in the conditions of strong competition in the market. Marketing, along with increasing the efficiency of individual enterprises, ensures the efficiency of the industry and develops the national economy of the country.

Functions of marketing such as comprehensive study of the market and collection of market data, adaptation of production to the needs of consumers and production of the required types of products, demand formation and sales promotion show the importance of marketing in the production process.

In the context of a variety of market factors, the ambiguity of their actions and the behavior of participants in market relations, the complex use of the basic principles and tools of traditional marketing and new marketing technologies, primarily innovative marketing, contributes to the adoption of optimal, effective decisions.

Marketing as an element of the market infrastructure reflects trends in social development, the specifics of time and the external environment. The theoretical foundations of marketing concepts have always evolved along with the evolution of business.

Innovative marketing is a complex of marketing technologies aimed at creating, expanding and retaining markets for new goods or services. The peculiarity of innovative marketing technologies is that they work not with a physically existing product, but with its developed concept.

This creates great difficulties in marketing research, in contrast to classical marketing. Innovative marketing is a system integration of a complete innovation cycle - from studying the innovation market situation, business planning of an innovative project, its implementation to promoting innovation to the market, diffusion of innovation and income generation.

Table 1 : Functions of innovative marketing¹

Function	Content
Marketing research	Research of innovative processes of the external environment and internal innovation potential, research of the innovative potential of competitors, research of potential sales markets for finished products, research of consumers of innovations, research of the possibilities of a marketing mix at various stages of the innovation process.
Policy planning for innovation, trade and assortment policies	Development of new products, development of measures to modify old products (improvement of quality characteristics and competitiveness), development of the assortment structure, etc.
Sales and distribution	Formation of a sales network, determination of the sales structure at different stages of the innovation process, control of physical flows in the distribution system
Promotion	Development of advertising policy at different stages of the innovation process, development of a brand, image of innovation, development of measures to change the image, formation of demand for innovation

¹An author's summary of the scientific literature

Priceformation	Forecasting prices for new products, developing pricing strategies, analyzing prices for substitute goods and similar goods
Marketingmanagement	Organization of the marketing management structure at different stages of the innovation process, optimization of management decisions in the system of marketing activities, audit marketing

Thus, the innovative activity of any enterprise will not be effective if the enterprise does not introduce innovative marketing technologies. The use of a complex of innovative marketing technologies enables an enterprise to develop an effective system of measures to promote innovation to the market.

Innovative marketing represents the systematic integration of the entire innovation cycle, from the study of innovation market conditions, business design of an innovative project, its implementation to the market of innovation till the innovation diffusion and revenue generation.

Innovative marketing allows you to better meet the needs of consumers, to occupy the market by shifting the priority in modern business from “functional” products to “innovative” products:

- functional products serve the most important, necessary needs and are often purchased without looking at the place of purchase (needed - seen - bought);
- while innovative products, by contrast, represent the latest in technology and fashion, the demand for them is difficult to predict, and their life cycle is much shorter.

A new product involves the introduction of any innovation or change in an existing product that the consumer considers important. However, the level of novelty can vary and can be considered on several levels. For an enterprise, goods that have never been produced before will be innovative goods.

Thus, an innovative marketing package represents a set of practical measures to influence the target market and the potential consumer of innovation, as well as to respond in a timely manner to changes in the competitive environment and consumer preferences.

The main factors of success in the use of innovative marketing in small businesses are the use of innovation, the abundance of opportunities to develop modern products, qualified marketers and an effective mechanism of marketing communications.

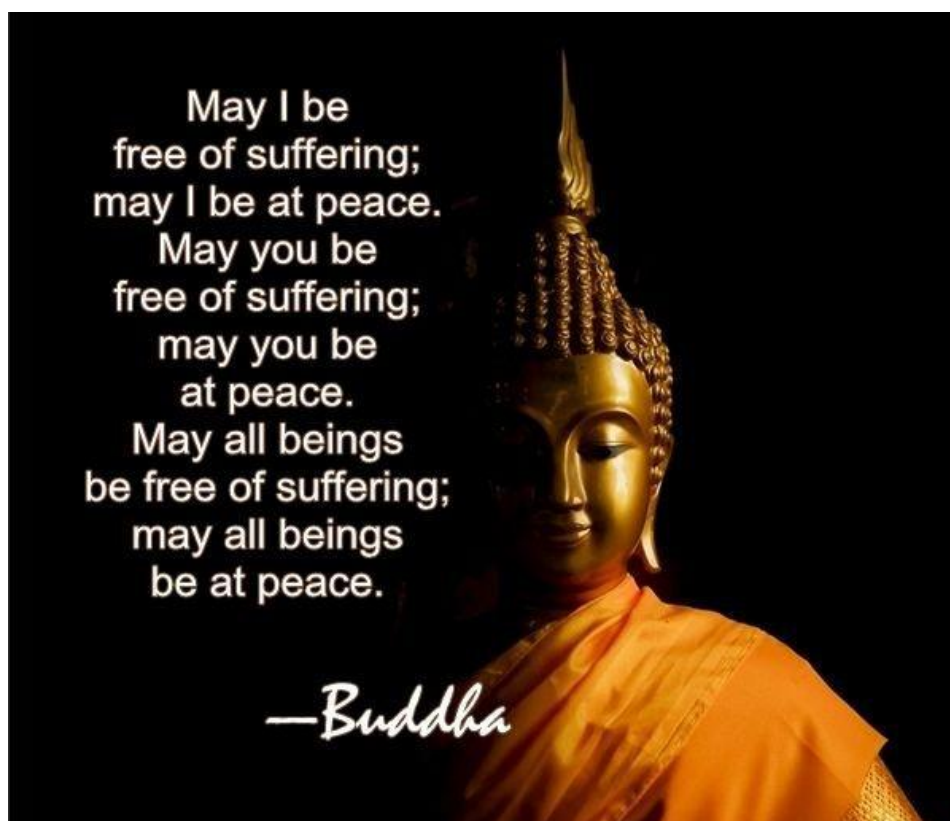
Innovative marketing is defined by market segmentation, the formation of consumer perception of the product and allows to reduce market uncertainties and the risk of undesirable viewing of innovations in consumption by forecasting certain market segments, planning the consumer characteristics of innovations, price and sales channels.

It should be noted that innovative marketing comprehensively develops the activities of small businesses and ensures the efficiency of production of new products and their delivery to the consumer.

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