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## Message

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Dear Academicians & Research Scholars,

As you know, our referred an international research journal which is listing with many research organizations like, Google scholar, Global Impact Factor, SJIF, IJIF Higher Education Supreme Authority, Uzbekistan. The motive of the “Journal of Management Value & Ethics” is to publish worthy and original research papers after double blind peer review process. There is no doubt that today we are spreading our recognition an international floor. During the last seven years of our 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. 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 work 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 and they too are sending the same regularly for publication in our 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. Motivational quotations between the pages also inspiring our readers. Our renowned advisory board & editorial board is a real mile stone of our success. We thanks to our board members and editorial team, who are experts in different fields and contributing their valuable experience with us.

In the today's life, nothing is possible without research. Because, research is bringing revolutionary change in the world. 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.

With best wishes to all

**Dr. P. S. Bhadouria**

# IMPLEMENTATION OF UP-TO-DATE INNOVATIVE APPROACHES IN A COMPETITIVE MERIT OF TOURISM INDUSTRY IN CENTRAL ASIA. THE CASE OF UZBEKISTAN

Tursunova Gulmira<sup>1</sup>, Bobur Sobirov<sup>2</sup>,  
Tukhliev Iskandar Suyunovich<sup>3</sup>, Aslanova Dilbar Hasanovna<sup>4</sup>

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## ABSTRACT

*The paper targets to investigate implementation of up-to-date innovative approaches in a competitive merit of tourism industry in Central Asia especially of Uzbekistan. The status and growth of tourism in Central Asian countries using the sample of Uzbekistan tourism industry with superior reference to country's tourism infrastructure sectors. As Innovative Technologies have been improving all over the world social media tools and online platforms can push tourism services in Uzbekistan as whole. These facilities present essential interest and potential for tourists from all over the world. This article makes an overview of the status of tourism industry with the aim of finding out the strategy for developing a program that enhances the strengths that these services in order to improve tourism in Central Asian regions. The results serve to point out key trends and gaps in which to focus future research on this topic and they might be useful in formulating public policies and strategies for tourism industry development.*

**Keywords :** *Tourism development, Central Asia, Innovative technology, hash tags, Silk Road, Tourism destination,*

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## Introduction

As a leading sector of the world economy today, tourism has a significant contribution to the socio-economic development of individual countries and regions. In 2015, the share of this sector accounted for 9.8% of world GDP, 6% of the world exports of goods and services, 30% of the world exports of services, 9.5% of total employment, as well as the eleventh every new job created in the world the tourism sector.

Our country has consistently held system works to ensure the dynamic development of tourism as one of the most important directions of deepening structural transformation and diversification of the economy, increasing employment, income and quality of life. To date, the tourism sector employs more than 200 thousand people, the share of this sector in the gross domestic product more than 2 percent. However, tourism in Uzbekistan has not yet reached the level of development adequate to their abilities. One unique natural resources, rich historical and cultural heritage cannot be the sole and sufficient condition for the development of tourism in the country.

In today's global economy, the state of tourism has been developing in many ways, in addition it is directly dependent on the expansion of the most competitive tourist consolidations, based on the use of not only cultural, historical and natural resources, but also the appropriate infrastructure, professional training,

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development of scientific-research institutes and modern information technologies. Devoting particular attention to this, infrastructure of Uzbekistan tourism sector stressed on the development of well thought-out long-term programs targeted projects on modernization and technical renewal of the basic sectors of our economy. On this way, the introduction of modern innovative technologies to provide a powerful impetus for the exit Uzbekistan to a new level, to ensure the competitiveness of our country in the global market.

World experience shows that the positive trends in the development of tourism industry in a particular area are primarily achieved by the joint efforts of government, business and science. In addition, the trends and patterns of development of the regional tourism market depends on the material, technical, ethnographical, natural-geographic, socio-economic characteristics of the territory, an adequate geographical scale of this market. This leads to the need for detailed scientific studies of the structural features and trends of development of regional tourism market, creating a framework for improving the cooperation mechanism in this market and the development of the concept of its development in the innovation economy.

Over the decades, tourism has experienced, continued growth and deepening diversification to become one of the fastest growing economic sectors in the world. Modern tourism is closely linked to development and encompasses growing several new destinations. Tourism has become one of the major players in international commerce, and also represents at the same time one of the main income sources for many developing countries. Moreover, the contribution of tourism to economic well-being relies on the quality and the revenues of the tourism offer ("UNWTO Annual Report 2013", 2014). According to the World Travel and Tourism Council, the total contribution of Travel & Tourism to GDP (Gross Domestic Product) was \$6,630.4 billion (9.3% of GDP) in 2012, and is forecast to rise by 4.4% in 2023. Furthermore, in 2012, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 8.7% of total global employment and this is expected to rise by 2.4% to 337,819,000 jobs in 2023 (Yearbook of Tourism Statistics., 2014).

Over the past several decades, international tourism has been steadily increasing, as well as the importance of the tourism industry for the economy of many countries. Today, the business volume of tourism equals or even surpasses that of oil exports, food products or automobiles. Tourism has become one of the major players in international commerce, and represents at the same time one of the main income sources for many developing countries (Xu, 2013).

Since the break-up of the Soviet Union in 1991, the former Soviet Asian States (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan) present important opportunities to become a major tourist destination in the way of unique cultural, historical, archeological, and natural attractions. After becoming independent, the policy and model of tourism development in these countries was mainly based on improving tourism infrastructure (Coulbaly et al., 2012).

Well-located World Heritage sides of Central Asian States, amusing history of medieval scientists, and undiscovered nature of people make attractive for visitors from all over the world. A vital factor in the history of the southern part of the region was its location astride the most direct trade route between China and Europe, the so-called Silk Route which began to be developed in the Roman times (Kemal Kantarci, Muzaffer Uysal, & Vincent P. Magnini, 2014).

Countries like Kazakhstan, Kyrgyzstan, Turkmenistan, Uzbekistan, and Tajikistan contain a marvelous and rich untapped tourism interest that has great potential to organize different type of uncommon accomplishments ("Central Asia: Problems and Perspectives of International Tourism: Slavomír Horák,"

2014).

As a major Silk Road tourist destination, country possesses exotic tourist potential, distinct monuments of prehistoric times with unique natural landscapes, that may main role to become one of the principal tourist states on the globe. That is why much attention is devoted in Uzbekistan to the development of tourism and expansion of corresponding infrastructure as one of the priority directions of the nation's socio-economic development.(Knobloch, 2013)

As independent country, Uzbekistan needs to foster its magnetism as a medieval center and intellectual origin due in part to scholars, philosophers and cultural leaders such as Al- Farabi, Avicenna, Ulugbek, Navoiy, Baburshah and Tamerlane. They have a great contribution to world culture and sciences of mankind which vividly shown in numerous and included works, such as "Canon of Medicine" of Avicenna, "Fundamentals of Astronomy" of Alfraganus, "Baburnama" of Baburshah, and "Divans" of Nava'i which provide imagination of education in the history of the Middle Age's lifestyle, culture, tradition and so on.

In addition, Uzbekistan maintained trade, intellectual and religious contacts with South Asia, the Middle East and Europe. The oasis towns of Samarkand, Bukhara, Khiva, and Tashkent mark the famous "Silk Road" over which caravans took the products of Europe to exchange for those of Asia. The 2500<sup>th</sup> anniversaries of the ancient cities Bukhara and Khiva and 2750<sup>th</sup> of Samarkand that once was capital city of great Tamerlane make interest of tourists globally. Moreover, infrastructural proximity such as highways, railways and airports also provides relatively comfortable and ease accessibility to global world through the CA region.

### **Methodology**

In the process of expansion of globalization and the rapid development of high-tech industry, the necessity to strengthen the economic growth and improve the quality of life of any country appears in its innovative activity. This kind of activity, in turn, is linked to the economic, scientific and technical potentials of the state, its innovative policy and resources, the spiritual state of the society. Accordingly, it is significant that a great attention is paid now to the trends of developing international tourism services market, in particular, in the sphere of its innovative development.

During the period of independence, the touristic service is interpreted as one of the most perspective spheres of industry and attention to it has risen to the level of state policy. It should be emphasized that in 1993 there were only 4 private touristic firms in our country, however today there are 800 touristic firms and hotels in private sector of touristic service, including 500 hotels with total volume of 30 thousand of places and approximately 300 tour operators and agents 40. Because of this work, according to the World Travel and Tourism Council index, in 2013 the Republic of Uzbekistan was mentioned among top five countries where tourism develops with the quickest rates<sup>41</sup>.

Further development of tourism in our country aiming to increase its share in GDP (Gross Domestic Product) and provide the population with new employment opportunities asserts the existence of necessity in wide range analysis of tourism marketing services and development of perfect scientific researches which create the basis for promotion of prospective programs. The existence of these problems and the objective necessity of their solution prove the actuality of the subject of this research, devoted to the study of methodological and practical aspects of innovative development of national tourism service market.

Exploration of methodological foundation and practical aspects of improving the tourism service market is a notable task of the world science and main attention is focused on following issues: determining out the

directions of developing tourism services market and working out the innovative models of development of tourism in terms of national economy.

Since its independence, Uzbekistan has begun to structure and organize its tourism industry. As a result of organizational and structural changes implemented, a new system of state regulation and control was established, preconditions for infrastructure development were created and mechanism of preservation and restoration of cultural and historical attractions were ensured. It is noticeable that, the new institutions and relations at the world tourism market were established almost from scratch.

During these years of independence, the government has done a great job on the revival of the unique heritage of local people, has created the conditions for the development of traditional arts and folk and has restored monuments of history and culture. Thanks to these measures, every year, the tourism potential in the country and requirements for development of tourism and its infrastructure has improved radically and positively.

Globally, tourism, as one of the highlands dynamically developing area of the world economy, plays an important role in strengthening the economic, cultural and political ties between states. Furthermore, Central Asian countries have wonderful opportunity of exploiting their unique cultural and historical heritage, which form the basis of the main resources for the development of tourism. For example, Uzbekistan has more than 4,000 historical and cultural monuments, of which 140 are included in the UNESCO World Heritage List. Routes of the Silk Road on the territory of the country are also part of the potential attractions for international tourists.

As the main trade network, which considered as the "Supreme route of mankind history", the Silk Road formed the first link between the Asia and Europe and was a crucial trade originator between China, India, Persia and Roman empires. Formed more than 2200 years ago, the route was served as a connection between people and cultures, stimulating the mobility of dialogue, art, religion, ideas and technology. With its significant diversity of cultural heritage and its treasure of natural tourism attractions covering across 12,000 kilometres of ancient trade network, the Silk Road tourist destinations today offers travellers the opportunity to experience a exotic adventures, following the paths of Alexander the Great and Marco Polo and other world renowned surveyors.

### **Theoretical background**

It is noticeable that, in 1993, Uzbekistan joined the World Tourism Organization (WTO). Subsequently in 1994, the WTO meeting held in Samarkand, and "Samarkand declaration" was adopted on tourism in 1999. "Khiva declaration", which proposed by honoured international organizations, such as UNESCO, UNWTO, Council of Europe and others, calls upon the countries of Central Asia to preserve their cultural and natural heritage. Ongoing establishments stress the benefits of sustainable tourism and outlines specific steps to stimulate cultural and ecological tourism to Silk Road destinations.

Additional issues include an invitation to local and international stakeholders to invest in Silk Road tourism and the endorsement of country's offer to host a Silk Road Support Office in Samarkand that began operations office of the World Tourism Organization to promote tourism along the Silk Road in 2004 ("Declarations | UNWTO Silk Road Programme," 2014).

Current programs and investigations by The World Tourism Organizations and other World Heritage Institutions like UNESCO, ICOMOS and UCL have been addressing to maintain the quality and shape of the whole destination through some suggestions for the sides and routes as a part of the transitional Silk Roads

World Heritage. The role of this project has involved unprecedented collaboration among member of the destination. The main target of the program is dedicated on specific Silk Road Heritage Corridors crossing Kazakhstan, Kyrgyzstan and China and another one between Tajikistan and Uzbekistan with some proposals ("UNWTO Silk Road Programme," 2013).

The collaboration of World Tourism Organization (UNWTO) and the Government of Uzbekistan continued on 8-9 October 2010 when a conference was held with the presence of delegates from over 25 countries in the historic "Registan" Square that (Samarkand). In the conference, there was a debate of the key issues relating to the development of tourism along the Silk Road ("Fifth International Meeting on the Silk Road," 2014).

Excepting Silk Road tourism destination, Central Asia possesses tourism attractions and resources, there is potential for the development of different types of tourism products. As a main part of tourism packages, following types of tourism are well known among tourism suppliers in country:

More and more, in the country located unique sacred places that are valuable for people professing religions such as Islam, Christianity, and Buddhism. These resources could provide an opportunity for further development of religion tourism sector in the area.(Faranda & Nolle, 2011; Kantarci, 2007; UNWTO, 2012b) Also, the availability of a large number of natural treasures like mountains, lakes, rivers, meadow woods, deserts and national gardens can help to develop ecological and adventure tourism in these countries. Furthermore, an increasing number of tour operators are including sport, business and recreational tourism packages to diversify tourism supply (Anthony, Appari, & Johnson, 2014).

Moreover, Culinary Tourism has grown considerably and become one of the most dynamic and creative segments of tourism in recent years. Both destinations and tourism companies are aware of the importance of gastronomy in order to diversify tourism and stimulate local, regional and national economic development (UNWTO, 2012a). As traditions, the unique culture and lifestyle of people, national cuisine of Central Asian countries have great interest for professionals.

With the support of the World Tourism Organization UNWTO, Ministry of Culture and Sports of the Republic of Uzbekistan, and the Association of Private Tourism Organisations and "UzExpoCentre" annually occurring International Uzbek Tourist Fair (IUTF) "World of rest" spring exhibition (UNWTO, 2012a) Even if organized solely in 2013-2014 year, it has already received high praise from the tourist community.

On this way, the contribution illustrates in the following figure 3, depicts the contribution jobs and share of the economy in employment. Socio-economic tendency of the country has been improving its opportunity and value with high rates.

The way of job creation with the help of service and tourism sector increased significantly. As it states, share of tourism to employment and involvement of sector to life quality of people have increased significantly in recent years. Moreover, the basic needs of people and notion of this term have been appealing lots of investors to due to development of the services and structural policy of the government. Amenities and entertainment places have been triplicated and the number of them with quality has noticeably advanced.

In order to make enhancement of tourism industry, administrative offices of this sector have been conducting lots of job to retrieve and make developments. On this basis, in the short period modified totally, signed agreements with different governments and institutions. From a list of the contracts, it is visible that

talks with Ambassador Extraordinary and Plenipotentiary of Turkey to Uzbekistan, which considered collaborating in number of aspects of integration in tourism between Uzbekistan and Turkey.

During the meeting, the Turkish side suggested opening direct flights between Turkey and the cities of Samarkand and Bukhara, along with existing routes pointed to the need to increase the frequency of Uzbekistan Airways Tashkent-Istanbul flight to intensify tourist exchange. Both delegates noted that 75 million people in the past year departed from Turkey to different destinations of the world.

According to the fact that both of Uzbek and Turk nations have a same historical roots, culture and inseparable traditions and Silk Road projects, alliance between these states and service providers have some interests on Uzbekistan tourism potential. Furthermore, it is estimated that, even 1% of them was directed to Uzbekistan, this would highly rise tourist circulation between Uzbekistan and Turkey ("UzReport.uz," 2014).

### **Diffusion of innovative approaches on tourism deployment of Uzbekistan**

Today, international tourist arrivals grew by 5% in 2013 to 1.087 billion, 6% of world exports, 9% of GDP and great deals of employees are in sector of tourism in globally. The role of tourism is a worthwhile prerequisite for the Uzbekistan tourism industry to prepare country for more intensive development.

For this reason, a vast amount of attention is dedicated in Uzbekistan to the tourism advancement and expansion of corresponding infrastructure as one of the priority instructions of the socio-economic deployment of the state. After endorsed in 2013 of the Programs of Tourism Development in Khorezm, Surkhandarya, Tashkent and Kashkadarya provinces, begins new era in the development of national tourism. It is noticeable that, more than US \$260 million is invested to implement in these regions that have a considerable tourist potential.

Hence, directions provided by these programs highlight main ways of organization of projects in order to enhance infrastructure of tourism industry, for instance improvements of engineering facilities by the reconstructing of roads, which connect most popular tourist zones all over the state, and establishing hotels, restaurants for tourists of different economic prosperity. Remarkably, public and private support in hospitality sector, foresee it's results a sophisticated package of honours for project stakeholders.

Yet, a specific proportion of job is being done to this direction. A series of new accommodations, restaurants and other tourist centres have been erected and number existing ones have been reassembled entire of the country. Besides, the foundation of many new sides is in the creation, and a variety of cultural programmes are introduced for both local and foreign visitors. Wi-Fi communication is implemented in majority of centres of tourism in the state's historical towns and main tourist sightseeing places. Following the current popular tourist routes, many new one are formed in the Republic.

Objectively assessing the situation, it should be noted that government pays considerable attention to the development of tourism. During the years of independent development in Uzbekistan established a legal framework and tourism infrastructure. Today, in the tourism operate more than 900 organizations and companies that have a license for tourist activity (subjects of tourist activity), of which 500 hotels, 371 - travel agencies (tour operators and travel agents), with about 90% of tourism organizations and companies related to the private sector, that affects the formation of a competitive environment in the tourism system to provide tourist services. Air gateway international airports are operating in Tashkent, Samarkand, Bukhara, Urgench, Nukus and Naviy.

Recognizing the key point of accommodation sector in the tourism industry, Uzbekistan hotel industry have established different hospitality facilities and it consists of more than 500 hotels with different forms of ownership. Prior to the annual meeting of the European Bank for Reconstruction and Development, due to the insufficient number of hotels to accommodate all foreign delegates in Tashkent, the Uzbek government started the development of hotels, which involved the construction of new hotels and the reconstruction of old style hotels.

As a result, a number of luxury international standard hotels appeared in almost all regions of country. Nowadays, the level of privatisation in travel accommodation sector in Uzbekistan is around 97%, whereas at the beginning of independence all properties were fully state-owned. A large number of luxury hotels are either fully-owned or partially owned by the state. For the last three years the government has failed to sell its shares in the hotels Dedeman Silk Road (39%), Grand Mir (35%), Hotel Uzbekistan (58%) and Hotel Markaziy (100%). Due to need of modernization and integration of new way of management, Hotel Registan (Samarkand), Hotel Afrosiyob Palace (Samarkand), Bukhara Palace (Bukhara) and Hotel Shakhrisabz Star (Shakhrisabz) has made modifications both in technical and industrial way.

The common trend in recent years in hotel accommodation in Uzbekistan was the growth in the number of small, privately-owned hotels. Today, the majority of such hotels have on average 50 or more rooms. The attractiveness of building small-sized hotels for the private sector is the amount of investment required to build, the high occupancy rate and relatively low cost of operation. These outlets initially appeared as an alternative to their international standard counterparts with its traditional design, modern administrative style, cosy and sizeable rooms.

The main step of implementing this project has done in October 2012, when two competent bodies of Uzbekistan and Iran on this sphere signed a memorandum of cooperation in developing existing and establishing new railway links between two countries. In addition to this, Uzbekistan will electrify about 1,000 km of railways, according to the Investment Plan 2011-2015. In August 2011 finally has considered the 75 km railway line, which connect Uzbek Hairatan city with Mazar-i-Sharif in Afghanistan. Developed by Uzbekistan Railways, this line was focused only on freight traffic and anticipated organizing passenger carrying in the short-term perspective.

Moreover, Uzbekistan Railways plans to build railways to link the national network to other two Afghan cities, Kabul (the capital) and Kandahar. Moreover, the modernisation of the 356-km line to allow trains to run at higher speeds has required investments of USD 100 Million (EUR 71 Million). The project has also included investments in the modernisation of railway stations. The new trains reduce three times the current 3.5-hour travel time that could be replaced with other tourism products in Uzbekistan. It is obviously can be faced that, in the Republic of Uzbekistan up-to-date means of transport industry, such as cars, buses and taxis, trams, trolleys, subways, monorails are underlined as an some example of them.

### **Tourism Modernization**

Globally the challenges that countries are facing in the tourism industry are numerous and complex. However, addressing these challenges require a high level of collaboration and coordination to marshal the resources that possesses Uzbekistan.

Speaking about the development of tourism in the country, we should note the importance of tourism deployment model of government and the steps of modernization, systematisation of services and integration of tourism infrastructure suppliers in worldwide tourism market, foreign investments and credits in the industry could be underlined as a main. Commercial interest in the region has grown considerably over

recent years, with ancient connectors between the Middle East and Asia being revitalized in a surge of investment and trade in energy, infrastructure and manufacturing. According to UNWTO, government need to improve infrastructure and make easy its connectivity, advancement of Information Computer Technologies (ICTs) and enhancement mobility could make more opportunities for tourism industry of country.

Yet a number of barriers are hindering tourism development in Central Asian countries, including Uzbekistan. Visa and border crossing formalities, transport infrastructure, corporate governance and quality assurance some issues that underlined attention of Silk Road recommendations from global tourism organization ("Strategic Recommendations for enhancing Tourism with a Special Focus on Central Asia," 2012). In addition, experts and specialists of tourism emphasized the importance of modernization and integration of sector and industry due to create better business opportunities and deployment of tourism destination in territory.

In order to tackle these issues following proposals on Marketing & Destination Management, Destination Management & Investment, Travel Facilitation could be addressed as a main key point for the development of tourism sector in the Central Asian tourism destination.

### **Destination Management& Marketing**

The Silk Road is a destination brand which has huge potential for growth. Investigations made by UNTWO researchers demonstrate that the Silk Road motivates more online discussions than any trade networks, accounting for approximately 30 % of international discussions<sup>1</sup>. Yet, very minor part Silk Road destinations are exploiting the marketing and promotional potential of their historic and cultural connections with the travel route. Applying market inquiry and better recognizing travel inspirations and the strength of this brand will allow destinations to be more intensify and develop competitiveness in their strategies of national marketing ("Policy and Practice for Global Tourism - World Tourism Organization," 2012). In order to tackle this issue, specialists have listed following concepts as crucial key factors;

- Inaugurate devoted section on the official websites of the Silk Road destination and its partner
- Classify and use unique selling points and hallmarks of own Silk Road of countries
- Involve purchasers and travellers under the same brand name by diffusing ICT as well as crowdsourcing and social media channels

According to historical facts, almost 30 countries was united The Ancient Silk Road and shared their culture, tradition and customs as well as history to one another. The legacy of the Silk Road can be vividly shown at architecture , gastronomy, religion, ideology and technology of these countries (*Handbook on E-marketing for Tourism Destinations*, 2008). These factors should be used by DMOs and focused on cooperating together pooling resources and executing alliance marketing that celebrate this shared history and motivate travel to the Silk Road.

- Diversify key partners and innovative approaches for joint Silk Road marketing operations
- Integrate and unite resources on market intelligence's gathering
- Collaborate with tour operators, airlines, and other enterprises which engaged with this sector in cross-marketing creativities and product deployment

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<sup>1</sup> Source: UNWTO, Social Media Research Silk Road Project (2010)

Enhancement countries' common product offering and stimulate more "word of mouth" promotion to contribute to a stronger, more globally familiar with Silk Road destination brand would be done by working together and developing new trans-boundary thematic routes and experiences based on the Silk Road destinations (*Handbook on E-marketing for Tourism Destinations*, 2008).

### **Investment Destination & Management**

As the Silk Road destinations comprise of the complete network of overland and nautical routes, retracing the steps of some most renowned explorers of all times. Yet a general drawback of data available and the compound logistics of travelling these roads prevent many prospective travellers from selecting to visit the Silk Road.

Destinations need to pay much more attention on developing tour operators by assimilating audits and diversifying problem areas that recently hinder the connection of Silk Road routes. Private sector players of international and national scale should be engaged in the long-term vision of the destinations' competitiveness and sustainability aspects. Commitment and investment from local small businessmen will help guarantee the involvement of the local community.

Undoubtedly, investments in sustainable infrastructure are paramount for the long-term perspective and survival of the Silk Road. Following measures could make better performance of above mentioned factors in country:

- advancement of road system
- enhanced air connectivity via regular flight to main cities in globe
- inauguration of low-cost airlines for domestic or Central Asian tourism business
- By the way of railway enhancement develop of high speed trains among major Silk Road destinations of Central Asia
- Creating tourism office centres online visitor and destination
- Improve amount of investments created by foreigners and governmental bodies
- Make accessible internet by Wi-Fi availability in major sightseeing sides

In order to help guarantee a 'bottom-up' method to destination management, establishments should empower local societies and stakeholders by providing relevant training and volume building across all phases of destination management, principally in regional areas.

Developed skills and services in the tourism sector are obligatory to ensure review while transparency in business is main feature to building strong business relations and attracting direct foreign investment

- Improvement of diffusing of Information and Communication Technologies
- Language skills among service specialist
- Applying of management systems world-renowned hotel networks
- Well-organized governance and transparency in international business
- Enrich natural and heritage resources by establishing sustainable management

### **Travel facilitation**

In order to simplify visa procedures for tourists, government and responsible officials should make optimize process of issuance as well as make some reforms of legislature system in terms of visa periods, apply online access to visa applications.

As one of the Silk Road's main merits is that it is as a marvellous network of destinations, multiple barriers to the smooth cross-border movement of tourists recently make it virtually impossible for travellers to undertake multi-destination tourism. Information provided by authorities on visa processes needs to be accurate and simple to acquire, available online and up-to-date.

- Improve the system of visa provision on arrival and electronic visa accessibility
- Standardization of single, double and ,multiple entry visas
- Optimization of visa periods to 30,60,90 days
- Enlarge more nationalities not requiring letters of invitation

By the way border crossing advancement procedures and services for tourists state should modify the potential for economic incentive and environmental enhancement by taking an inventive approach to cross-border rules.

### **Proposals for further improvement of services for tourists:**

Upgrading level of the English speaking staff at the borders; tourist information; shopping; money exchange; transit accommodation; guided service through buffer zones (for guides, drivers with badges); regular working hours signage; food and beverage services; restrooms and first aid facilities.

Suggested innovative methods to cross border administration:

- mutual tourism development plans;
- unique and marvellous package tour services;
- local handicraft markets
- integrate e-tourism frameworks
- cross-border job exchange and mobility
- cultural and traditional events;
- worldwide multidisciplinary joint programs

To sum up, Uzbekistan as a major partner of Silk Road tourist destination program could tackle various issues with the support of some international and non-governmental organizations. As a consequence, some drawbacks of tourism industry will be prevented and some privileges could be provided for small businesses and entrepreneurship.

### **Conclusion**

As tourism stimulates infrastructure development of the country, has a strong multiplication effect and helps diversify the economy, supports local culture and crafts and environmental protection, it is very actual for the Republic of Uzbekistan with its transitional economy, moreover it is important as Uzbekistan is a country with vast capabilities in tourism. The travel and tourism industry is a leading export industry in worldwide, Central Asian counties could contribute considerable as well.

Moreover, with vast underused capabilities in tourism and diversity of tourist attractions represent the potential of tourism in these tourism destinations. Location of the area, corridors on the Great Silk Road, with cities which were main points of trade, make destination attractive one for the flow of tourists globally. Accessibility of various tourism types, distinct traditions and unique cultural background of Central Asia has considered as one of the main key factor tourism and hospitality businesses.

After have been establishing and implying global experience, the attractiveness of tourism estimated to become as one of the crucial one in the Central Asian destination. Furthermore, the optimization of visa facilities has listed as one of the main advancement of tourism policy by the UNWTO research group.

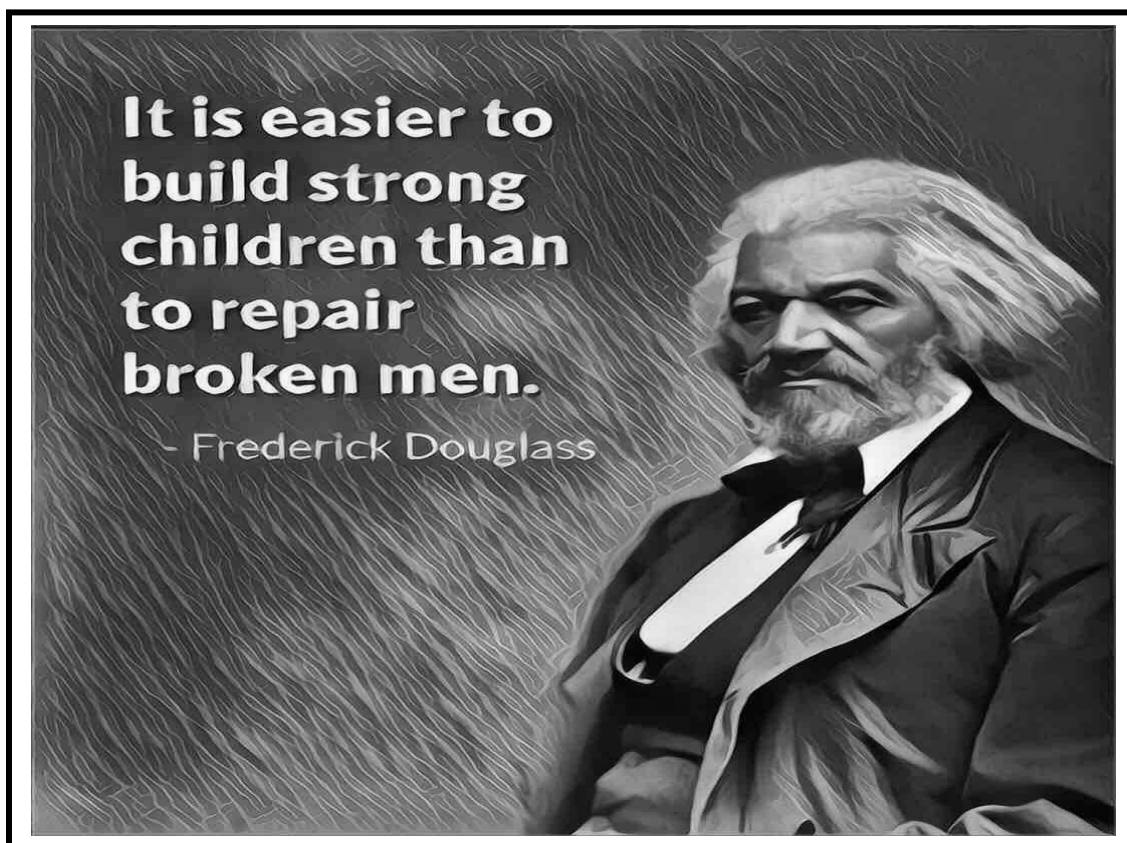
As one of the main Silk Road tourism destination, Central Asian states have great potential to advance sector of hospitality and tourism that create a lot of promotions for different spheres. In the other perspective, tourism sector in Central Asia has already established and its policy has led to some fundamentals improvements in the last 20 years. Further investigations and explorations may be addressed to identify obstacles of the industry by learning all its sub-sectors.

In briefly, Central Asian states, such as Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan have great potential of tourism deployment as whole. Established policies and conducted measurements in counties have made already its results. Upcoming diversifications and modernizations in the industry may contribute exponentially for the economies of the Central Asian counties.

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## CONSUMER PERCEPTION TOWARDS INDIAN RESTAURANT: EVIDENCE FROM NEW YORK, USA

Rumki Bandyopadhyay<sup>1</sup>

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### ABSTRACT

*Globalization today has made rapid changes in the world economy. The food industry especially today has evolved varied pattern to satisfy the diverse individuals in the community as a whole. The USA is presently culturally becoming diverse. The diversity is reflected in variety of cuisines in different formats. The taste buds of Americans towards herbs, spices and peppers are being enjoyed by the Americans while the popular cuisines from just not from India but from China, Thailand and Japan are in greater demand. This study understands the perceptions of Americans in the Indian restaurants in the USA.*

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### Introduction

Globally, the USA is more ethnically and racially diverse. By 2055 United States will not have a single ethnic or racial majority. Much of this transition will happen because of immigration policies. During the past 50 years nearly 59 million immigrants have arrived in the U.S especially from Latin America and Asia. This is further leading to a global culture in U.S. Infact, the trend reflects that Asia surpassed Latin America including Mexico as the major source of new immigrants to the U.S.

(Cohn and Caumont, 2016). A higher disposable income, changes in the consumption patterns, global culture, dual-working families has indeed identified a greater demand for food away from home. The varied culinary habits, the range of cuisines and the patterns of cooking techniques is the rationale behind the growth of Indian restaurants in the USA. This further leads to gastronomical delights. In fact, globally the craze for food is even greater, according to Euromonitor, the global sales of healthy food products are estimated to reach 41 trillion by 2017. Consumers today are willing to pay for healthier food ranging from generation z to Baby Boomers. (Forbes, 2015). Research states that there are 40,000 Chinese and Mexican restaurants while a mere 5000 Indian restaurants across the Nation, while there are about 300 Indian restaurants served in NewYork. (Johnson, 2015; Ferdman, 2015)

### Case Scenario:

Merely about 1.8% of the ethnic food market is comprised by Indian food industry in the United States; however there is a significant American's prefer an Indian food. (Frost, 2015). Culinary variety is probably the key factor of globalized sensation. Food industry is one of the first to become integrated at a greater scale worldwide (Nutzenadel and Trentmann 2008, Sharpless 1999). Previous studies indicates that during the past decades Indian cuisine is indeed the most popular cuisine in the United Kingdom while ethnic restaurants were quite popular in the USA (Lloyd and Mitchinson 2006; Gabaccia 1998). Thought there is an increasing trend demonstrating on Indian restaurants yet there is a paucity of studies in the context of customer perception towards Indian restaurants.

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## Objective of the Study

The restaurant industry indeed need to create a niche that is unmatched to attract and retain customers and therefore the restaurant operators have to have a deeper understanding the wants, needs, taste preferences aligning especially with the Millennial for a sustained growth of the restaurant. This study made an attempt to understand and identify the factors that may influence the decision of patrons to dine at the selected Indian restaurants in the Queens, Jackson Heights NewYork, USA. The main purpose of the study is to identify the factors that influence the patron decision to dine at an Indian restaurant.

## Method

For purpose of the study, convenient random sampling technique has been adopted. The customers or the respondents for the purpose of this study who made a visit to the restaurants form the sample and among them 50 respondents were selected for the purpose of this study.

## Findings of the Study:

For the purpose of this study, the respondents represented an almost equal proportion of male (52%) and female patrons (48%) with an average age of 30. While sorting the data and my observation, I could find that 30% of the respondents were American citizens of whom almost about 18% were American born. Remaining were immigrants from India, while one of the respondent was from Great Britain and the remaining were the student group from Amity Education Group. To understand their professionalism amongst the respondents I found that almost about 80% were professionals while the remaining had their stores in the nearby vicinity.

The respondents were asked in general about the choice of the Indian restaurant in the locality of this study. The responses were on cleanliness and hygiene, choice of vegetarian food was an answer that surprised me for an American born however I recorded the respondent version. Women respondent on the cleanliness of rest rooms as well. Employee friendliness, display of different cuisines and value for money was an answer that was answered universally. Some of the respondents showed an inclination towards the spicy food and the price. Cultural familiarity due to travel to India also was reflected as possible choice of an Indian restaurant. The respondents also emphasized on the commitment to quality and innovative menu as the key for their revisit at the restaurant.

To further validate the study, while I visited second time at the same restaurant, I found that the restaurant served two different clientele with White American and South Asians. This time the respondents to add further responded that the choice of Indian restaurant is also due to the fact of overseas travelling on tourism thus leading to the growing cultural and ethnic diversity.

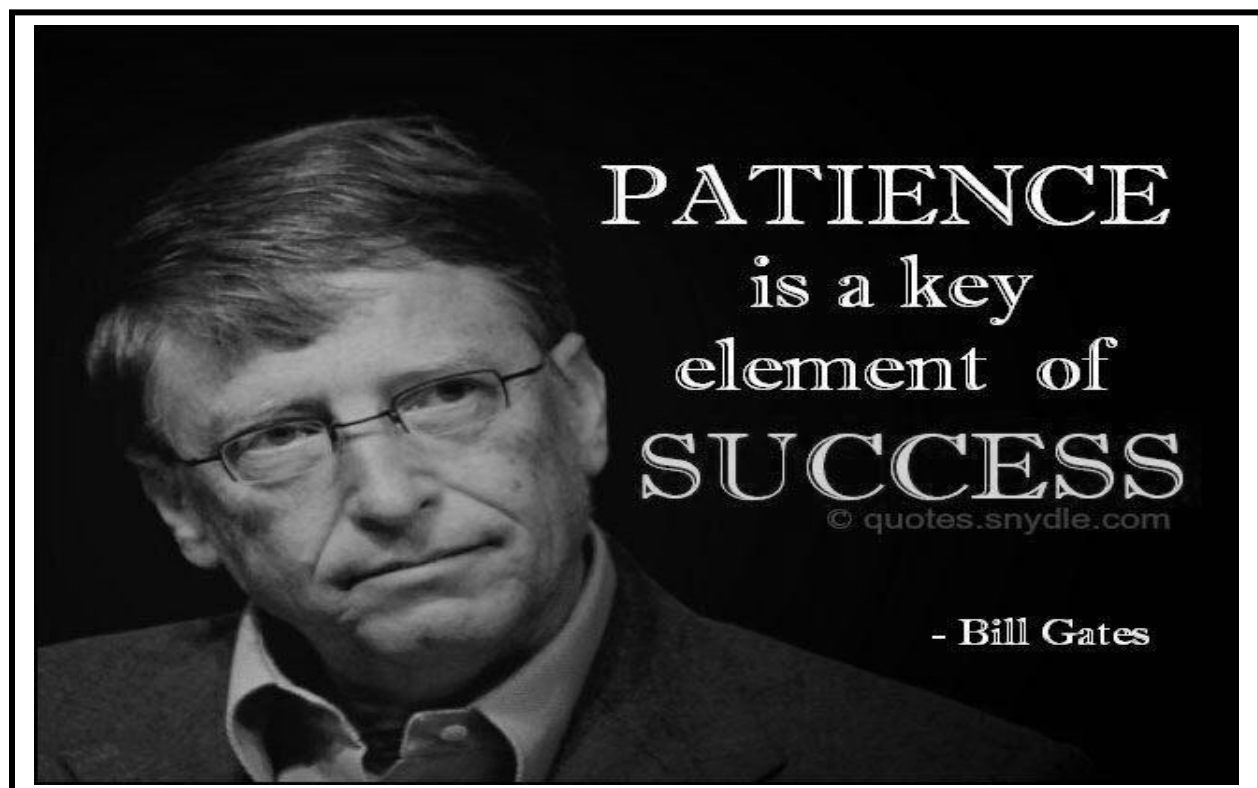
To understand from the staff at the restaurant, I tried to understand from the manager at the Restaurant on the strategies to create the demand for patronage at the restaurant. The respondents clearly indicated that Indian recipes may be cooked without even losing the nutritional value of the ingredients while cooking. The enhancement of taste is supported with the uses of spices and masalas while pickles and salads further fuels the taste buds. The respondents also indicated that the popular demand is also been significantly created by the Indian expats living in USA. They also indicated that the popular TV shows on food recipes also familiarized Indian cuisine. The respondents mentioned that though the growth is not as much as fast food chain or the famous FalaFel yet there is an increase in the trend of customers.

**Limitation of the Study:**

The study could not have a wider research due to the paucity of studies conducted in this context. However, the findings of this study will enable the readers to identify the factors that lead to an increased motivation to eat at an Indian restaurant.

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# PROTECTION OF OWNERSHIP RIGHTS IS THE BASIS OF EFFECTIVE AGRICULTURAL PRODUCTION

Dilorom Tadjibaeva<sup>1</sup>

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## ABSTRACT

*The article analyzes the transformations of the agriculture of our Republic, the implementation of agrarian reforms from the viewpoint of neoinstitutional theory.*

*Based on the neoinstitutional theory, attention is paid to strengthening of ownership rights. The conditions for creation of the legislative basis for ensuring the ownership rights are gradually created in the Republic. The role of transactional costs is also shown: in socio-political, market and intra-farm level, which are the basis for effective use of the agrarian sector resources. Here, contract execution and ensuring their timely performance is of a special importance. From that point of view, the main problems of raising the efficiency in farms and the ways of addressing them are shown.*

**Key words:** *agriculture, private farm, neoinstitutional theory, ownership rights, transactional costs, labor motivation, law, labor productivity, crop yield, gross domestic product, contracts.*

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## Introduction

The contemporary market economy requires to have approach to ownership from economic and legal perspective – as an integral whole.

A necessary condition of effective operation of the market and its subjects is accurate determination, or 'specification', of ownership rights. The clearer are definition and the more reliable is protection of ownership rights, the closer is the link between the actions of economical agents and their economical safety and wealth. These norms can be established and protected not only by the state, but also by other social mechanisms. Such as customs, moral attitudes, religious commandments, etc. But, with development of market and competition, legal acts, laws clearly defining ownership rights acquire increasing importance. Because everyone should not forget about limitation of resources in the interests of business entities, individuals, which urge them to some actions, and they can easily ignore informal guidelines.

As known, subjects of market agrarian economy are of two types: full owner and owner with usage. After achieving the independence, during realization of agrarian reforms in our country, the specific features of agriculture were taken into consideration: a) production on irrigated lands which require powerful irrigation systems; b) more than half of used lands are salinized to various degree, require continuous reclamation works; c) major part of the population live in rural area, where only 0.12 hectares of land are allocated to each inhabitant. Meanwhile, land and water resources suitable for farming are distributed unevenly among the regions of the Republic, which can become a source of instability. Considering these and other circumstances, as well as the historical experience, it was decided to retain state ownership of land and letting state-owned land on lease.

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As history showed, a farmer works from the heart and provides effective use of land and other resources only in the case when he feels himself a real owner. Therefore, the basis of all reforms in villages is to educate an owner interested in his labor and exercising its results. This could only be achieved by selecting the forms of husbandry and defining their respective rights. Starting from 1993, the institutional reforms were seeking for effective forms of husbandry which would meet the requirements of contemporary housekeeping and the mentality of our population. Considering all the circumstances and the world historical experience, we chosen private farm and dehqan farm forms of management. In 1998, a number of legislative and regulatory legal acts were adopted, including: Land Code, Law of Farm, Law of Dehqan Farm, establishing strong legal basis and guarantees for development of farming and dehqan farms, economical and financial self-sufficiency of farms. For these years, a number of changes and additions<sup>1</sup> were made in those laws.

Due to the adopted laws, rights and obligations were established for the both sides. Ownership rights are understood by the society as authorized behavioral relations between people which arise in connection with limitation of the amenities and their use, in other words, ownership rights nothing more or less than certain "rules of game". When rules of game are clearly set, the whole process of decision making will be more transparent, and a feeling of real owner of land is cultivated, economic security is ensured. And the whole this process will obviously reflect in sustainable growth of agricultural production.

**Table 1 Dynamics of growth of production and labor productivity**

Production	YEARS						2015 in % to 1995
	1995	2000	2005	2010	2014	2015	
GDP, billion Soums	302.8	3255.6	15923.4	62388.3	144867.9	171369.0	566
Total employed people in the economy, thousand people	8 449.0	8 983.0	10196.0	111 628.4	12818.4	13058.3	154.5
Labor productivity (production output per one employee), thousand Soums	<b>35.8</b>	<b>362.4</b>	<b>1567.0</b>	<b>5365.1</b>	<b>11275.1</b>	<b>13123.3</b>	<b>366.5</b>
Labor productivity growth in percent of previous year	100	1011	432.4	342.4	210.0	116.3	X
Industry products (added value), billion Soums	51.7	462.4	3370.9	14741.9	34841.3	42156.9	815.4
People employed in the industry,	1093.0	1145.0	1348.0	1539.6	1642	1775.9	162.5

**1Private farm** is a self-contained business entity conducting commercial agricultural production with use of leased land plots. For private farms. Land plots are let on lease on the basis of open competition for a period of 50 years, but no less than 30 years. Private farm is the main subject of agricultural production in the Republic of Uzbekistan. Private farm specialized in livestock farming production is established on the condition of availability of livestock with number of at least 30 conditional heads. Minimum size of land plots allocated to a farm on lease is at least 0.3 hectares per one conditional head of livestock on the irrigated lands on Andijan, Namangan, Samarkand, Tashkent, Fergana and Khorezm provinces, no less than 0.45 hectares of irrigated lands in other provinces and the Republic of Karakalpakstan, and on non-irrigated (dry) lands – at least 2 hectares per one conditional head of livestock. For private farms specialized on crop production, minimum size of land plots allocated to a farm on lease for cotton growing and grain growing is at least 30 hectares, for gardening, winegrowing, vegetable farming and cultivation of other crops – at least 5 hectares. **Dehqan farm** is a family small size farm producing and selling agricultural products on the basis of personal labor of family members on a small holding provided to the head of family in lifetime inheritable possession, at the discretion of members of dehqan farm, both with or without incorporation.

thousand people							
Labor productivity (production output per one employee in the industry), thousand Soums	47.3	403.8	2500.0	9575.0	21219.0	23738.3	501.8
Labor productivity growth in percent of previous year	100	853.7	619.1	353.0	221.6	111.8	X
Agriculture products (added value), billion Soums	85.1	98.0	4187.7	11229.8	24938.3	28447.2	334.2
Portion of agriculture in GDP	28.1	30.1	26.3	18.0	17.2	17.2	X
People employed in the agriculture and forestry, thousand people	3 485.0	3 093.0	2 967.0	3 127.5	3534.9	3554.1	101.9
Labor productivity (production output per one employee in the agriculture), thousand Soums	24.4	31.7	141.14	359.1	705.4	800.4	322.7
Labor productivity growth in percent of previous year	100	129.9	445.2	254.4	196.4	113.4	X

Source: Statistical Collection – Tashkent, Uzbekistan 2011 – 14, 37, 42 p. Uzbekistan Agriculture – Tashkent 2015, p. 11, 17.

Due to realization of institutional structural reforms, significant positive changes took place in agricultural production – production growth in average is 3.2 to 6.8% per annum and increase of crop yield and livestock farming productivity. These tables show that in 2015 compared with 1995, the GDP of our Republic increased almost 5.7 times, the number of people employed in the economy is 1.5 times more. Labor productivity increased in 3.66 times. Industry production is 8.1 times more, the number of people employed in industry is 1.6 times more, and productivity is 5 times more. If the portion of industry in GDP in 1995 was 17 %, in 2015 it is 24.6 %.

For these years, agricultural production increased from 85.1 billion Soums to 28447.2 billion Soums, i.e. more than 3.3 times. Starting from 2000, annual average growth of production in agriculture is more than 5 and 6 % per annum. Meantime, its portion in the GDP reduced to 16.6%. Labor productivity increased in 3.2 times.

The key factors which enabled to achieve the high results in the agriculture are implementation of cardinal measures for economical reformation of the agriculture, introduction of market relations and development of private form of ownership in rural areas, creation of legal, organizational and financial conditions for development of farming.

Today, private farm is rightly a driving link and the key form of organization of agricultural production. Farming unites more than 101 thousand private farms, and their take more than 85 percent of all tillable lands. In gross production of agriculture, the portion of private farms is 35%. This indicator in cotton growing is almost 100.0%, in grain-growing 84.%, in silkworm cocoon production 97.0%.

### Neoinstitutional Approach and formation of legislative bases of ownership right in Uzbekistan

As known, in the neoinstitutionalism, special attention is paid to such notions as ownership rights, transactional expenses and contractual relations. Transactional expenses are considered on the three levels: inside farm, in the market and in the field of social and political decisions, i.e. on the level of the state.

In this trend of economic theory, any act of exchange for any organizations, from a firm to the state, is understood as exchange with “ownership right bundles”. A contract determines powers and on which conditions it is transferred from one agent to another. This means, preparation of contracts is an important factor for business entities.

**Table 2. Structure of costs for production of raw cotton and grain-cereal crops in farms**  
(in percent to total costs)

	Cotton		Grain-spike crops	
	2010	2014	2010	2014
1. Wages with accruals	38,0	33,9	16,7	24,4
2. Mineral fertilizers	19,3	20,2	16,4	23,3
3. Plant protection costs	1,7	1,8	2,6	2,4
4. Fuel, lubricants	15,8	20,2	15,9	14,5
5. Seeds	2,5	5,2	16,6	14,6
6. Mechanization services	8,2	6,3	18,1	13,4
7. WUA services (water user associations)	1,5	1,1	1,2	1,9
8. Electricity costs	0,9	1,3	0,9	1,8
9. Land tax	4,7	3,4	3,7	2,7
Other costs	4,2	6,6	7,9	1,4
Total costs	100	100	100	100

Prepared according to the data of the Ministry of Agriculture and Water Resources of the Republic of Uzbekistan.

The research shows that currently in the structure of costs of private farms, infrastructure costs (transactional costs) take a special place. From the data of the Table 2, we can see that during production, more than 60% of costs are incurred by relevant structures established for provision of such services to agriculture. Reduction of the portion of mechanization services is explained by the fact that for acceleration of the agriculture modernization process and broad attraction of foreign investments for technical and technological renovation of agricultural machinery industry enterprises, there was adopted the Resolution of the President of the Republic of Uzbekistan No. PP-1758 dated 21 May 2012 “Program of Further Modernization, Technical and Technological Retooling of Agricultural Production for 2012-2016. Leasing and bank loans to farmers for purchasing agricultural machinery are widely used now. All of them are of course executed under contracts. Employment of laborers is also realized on the basis of contracts. Special place is taken by contracts for sale of products.

Contracts are very diversified and selection of contract type is always dictated from the viewpoint of transactional costs saving. Some deals can be made instantaneously, right in place, especially in dehqan farms. But, very often the transfer of ownership rights bears a deferred nature, and is a protracted process. Contracts in such cases can turn into exchange of promises. Thereby, a contract restricts future behavior of parties, whereas those restrictions are applied voluntarily. Therefore, accurate definition of the rules of ‘game’ has a special importance here.

Currently in our Republic, transactional costs are aimed at support of agricultural producers. The legislative base is created. In future, based on the reality, they will be improved. And here, special role is played by the adopted laws and bylaws, regulations and the state ensuring compliance with those laws and regulations. Therefore, under the Decree of the President of the Republic of Uzbekistan No. PP-4478 dated 22 October 2012 about the Measures for Further Improvement of Organization of Activity and Development of Farming in Uzbekistan, the important tasks have been given to the Cabinet of Ministers of the Republic of Uzbekistan, the Council of Ministers of the Republic of Karakalpakstan, province and district administrations: further improvement of legislative and regulatory legal base focused to development and strengthening of leasing relations in rural areas, ensuring protection of rights, interests and effective operation of farms as a driving link and form of organization of agricultural production.

The Program of Actions for further improvement of legislative and regulatory legal base of farming development focused to strengthening of financial and economical independence of private farms was adopted. And on the basis of the stipulated actions under the Program of Actions for improvement of legislative and regulatory legal base of farms development, the amendments have been made in: the Tax Code to make provision for exemption from state duty for farmer councils in case of making claims and law suits in the interests of private farms, appealing against the resolutions of governmental and economical administration authorities, actions/inaction of their officials to the court; the Regulations about the procedure of negotiation, registration, performance of contracts between agricultural producers and procuring and service organizations as well as monitoring of observance thereof, they provide for participation of lawyers of district farmer councils during negotiation of agricultural procurement contracts and contracts for delivery of materials and technical resources by farms with procuring and service organizations for the purposes of ensuring the rights and legal interests of farms. Provision of assistance to farms from the hand of legal advisors of district farmer councils in correct execution of agricultural procurement contracts and contracts for delivery of materials and technical resources, exportation contracts for farms' products. Undoubtedly, all this reflected in the growth of production and productivity in agriculture, seen in the Table 1.

For further improvement of ownership rights and contractual relations, special place will be taken by the Resolution of the Cabinet of Ministers No. 128 dated 28 April 2016 "about Making Supplements and Amendments in the Regulations about the procedure of negotiation, registration, performance of contracts between agricultural producers and procuring and service organizations as well as monitoring of observance thereof", for the purposes of further strengthening of control of unconditional performance of the contracts signed between agricultural producers and procuring and service organizations.

During cultivation of cotton and grain-cereal crops for the state needs, farms are provided with mineral fertilizer within the limit from the proceeds of soft loans. For cultivation of other crops, mineral fertilizers are purchased by farmers at exchange trading or in free trade at market prices. This leads to their usage not for the intended purpose. Therefore, in accordance with the above Resolution, in case of improper usage of materials and technical resources allocated for crop production for the state needs by a farm, a farm shall pay a penalty to service organization at 25 percent of the value of the improperly used materials and technical resources and credit resources, as well as other expenses due to price change.

Also, in the improvement of ensuring of ownership rights in our Republic, the Decree of the President of the Republic of Uzbekistan dated 5 October 2016 about Additional Measures for Provision of Accelerated Development of Entrepreneurial Activity, Comprehensive Protection of Private Property and Proper Improvement of Business Climate is of a great importance and proposed an integral system for solving problems related to strengthening of protection of ownership rights, allows to declare progressive motion to

expansion of preventive and somewhere appealing measures to operation of controlling authorities. The proposals have been developed for strengthening the responsibility of representatives of governmental administration authorities for illegal intervention in the operation of business entities, violation of legal rights and interests of private owners.

Ensuring accelerated development of small business and private entrepreneurship, further strengthening of legal mechanisms of protection and guarantees of immunity of private property, liquidation of bureaucratic obstacles on the way of development of entrepreneurship, improvement of investment climate and business environment in the Republic, are determined as the most important priority of the state policy and primary objective of the governmental authorities in the field of further development entrepreneurial activity, providing greater liberty to small business and private entrepreneurship. Cardinal reduction of intervention of governmental authorities in their business, provision of early warning, increasing the efficiency of prevention and non-admission of violations of law.

The Law of the Republic of Uzbekistan about Making Amendments and Supplements in Certain Legislative Acts of the Republic of Uzbekistan No. ZRU-418 had been adopted on 29 December 2016, due to taking additional actions for ensuring accelerated development of entrepreneurship, comprehensive protection of private property and proper improvement of business climate. On their basis, additions have been made in the Criminal Code, in accordance with which, the punishment in a form of deprivation of right to entrepreneurship shall not apply to persons involved in entrepreneurship, except for the cases which caused death of human or other severe implications.

In the field of audits of business of entrepreneurial entities (and this was the most painful topic which prevented development of entrepreneurship), since 1 January 2017 all kinds of unscheduled inspections of business of entrepreneurial entities are prohibited, except for inspections due to liquidation of legal entity as well as inspections conducted solely under resolution of the Republican Council for Coordination of activity of controlling authorities, short-term inspections on the basis of applications of individuals and legal entities regarding the facts of violation of law, that means, financial and business operations of farms may be subjected to scheduled inspections only in the case of systematic failure to pay taxes and other obligatory charges within a fiscal year.

Criminal case will not be instituted and a person will be released from the responsibility, if such person committed for the first time a crime stipulated in the articles 178, 180, 181 of the Criminal Code of the Republic of Uzbekistan (evasion from tax and other obligatory charges). A persons will be released from responsibility if a person compensated the caused damage within thirty days from detection of crime, and this also applies to elimination of consequence of business without license (paid penalty and other financial sanctions). Ensuring registration and execution of necessary permissive documents.

The same actions committed in especially large amount, by a dangerous crime repeater, with preliminary collusion by a group of persons, shall be punished with penalty of 75 to 100 minimum salary amounts or arrest to 6 months.

Violations are changed over from criminal jurisdiction to administrative jurisdiction, which are committed in the field of trading rules, trading and intermediate business, except for violations in especially large amount.

Inspections of business of business entities by law enforcement authorities due to instituted criminal cases are implemented with obligatory participation of lawyers engaged by business entities (except for cases of waiving this right by a business entity).

A broad complex of activities is established for simplification of all kinds of registration and permitting procedures, expansion of access to obtaining various kinds of governmental services. Thus, for obtaining privileges and preferences stipulated by the law for entrepreneurial entities, there is no need to apply with any kinds of written applications.

But the important thing here is to achieve observance of the laws on all levels of activity. And this is required not only from business entities, but first of all from the executive power.

Therefore, for ensuring strict compliance with the requirements of legislative norms or responsibility of officials for unlawful interference and impeding entrepreneurial activity, unreasonable suspension of activity as well as recovery of damage directly caused to entrepreneurial entities from guilty persons, provision is made for full compensation by officials of business entities of caused financial damage.

Provision is made for administrative responsibility for demolition of buildings and other structures owned by entrepreneurial entities, in case of incomplete compensation of losses, at market value of such property.

Special attention is paid to strengthening of responsibility of representatives of governmental authorities and administration for unlawful interference in the activity business entities, violation of legal rights and interests of private owners. Principally important thing is that both the measures of administrative and criminal responsibility applied in case of such violations will be strengthened, and the standards for compensation of losses to entrepreneurial entities caused by actions of governmental authorities and their officials will be improved. In particular, it's not only about compensation of direct damage, but lost profit as a result of illegal decisions or actions of governmental authorities and their officials, including adoption of regulatory acts which don't conform to the currently valid legislation. Introduction of such legal norm will significantly increase the responsibility of officials of governmental and administrative authorities for taken decisions, because a mistake (inadvertent or intentional) can cause serious material consequences.

It should be noted that in all the countries of the world, legal proceedings are always expensive and long process. But transition to jurisdiction of judicial power of increasingly more number of issues is an important tool for practical realization of the principle of rule of law. On the one hand, the number of cases reduce, when imposition of sanctions is done directly by controlling authority itself, and this means that an entrepreneur has more opportunities for assertion of his legal rights and interests; the role of judicial system is enhanced in identifying the deficiencies in legislation, especially in terms of departmental legal acts. On the other hand, subject to previously introduced norm of obligatory open publication of decisions of courts, the responsibility of controlling entities, judicial authorities and entrepreneur himself increases in terms of observance of the legislative norms.

Together with the liberalization administrative and criminal legislation, new authorities are provided to judicial system. In parallel, provision is made for steps towards reduction of financial and time expenditures of entrepreneurs related to applications to courts.

From the perspective of neoinstitutionalism, its famous representative R.Coase, upon occurrence of controversies and disputable matters, for reduction of transactional expenses, if they are not high, it's better to reach mutual agreement without application to courts. Based on this, provision is made in the laws, regulatory acts, that upon occurrence of controversies and disputable matters, parties shall take efforts for pre-judicial settlement thereof, normally on their own or with participation of Glavgosinspektsiya and its territorial bodies.

Glavgosinspektziya and its territorial bodies, as well as relevant governmental authorities shall provide necessary assistance in negotiation and performance of contracts within their competence.

In case if parties fail to reach agreement in the process of pre-judicial settlement of disputable matters, they are entitles to apply to economical court.

The institute of Commissioner for protection of rights and legal interest of entrepreneurial entities. The Ombudsman is given the powers to provide legal support to entrepreneurs during audits of their business, as well as for assessment of efficiency of adopted regulatory and statutory acts.

Undoubtedly, the introduction of the mentioned legal norms will significantly increase the responsibility of officials of governmental and administrative authorities for taken decisions. Performance of contracts by organizations serving private farms is also justified by combating the corruption. The more regulatory acts will be adopted in form of laws, the more transparent will be the whole process of making decisions. On the one hand, there will be less opportunities for norm creation on departmental level, on the other hand, the opportunities will be enhanced for participation of entrepreneurs themselves, scientists and experts in law creation process. It should be reminded that increasingly more laws now are presented for public discussion.

### **Contracts and main problems of their performance in production of raw cotton**

Contracts cannot allows to all obligations for all on all occasion of life and performance of contracts can never be guaranteed for 100 %, and the life shows that, in particular, this is expressed in existence of accounts payable and receivable between private farms and infrastructure entities. For instance, in 2013 in total for the Republic, 2496 private farms didn't perform agricultural procurement contracts for delivery of grains for the state needs, they failed to deliver 65.6 thousand tons of grains for amount of 24.9 billion Soums. Also, there are facts of default of contractual obligations by farms for delivery of raw cotton for the state needs. 5344 farms failed to deliver 272.3 thousand tons of cotton for a total amount of 255.3 billion Soums.

One of the main reasons for failure to fulfill by certain farms of agricultural procurement contracts is failure to comply with contractual obligations from the side of suppliers of materials and technical resources and servicing enterprises. Mineral fertilizers, fuels and lubricants, mechanized services provided in the agricultural procurement contracts had been short-delivered to some farms, or some farms failed to timely pay for the supplies.

One of the main reasons of overdue payments was the fact that the procuring organizations (cotton-processing and bread-receiving enterprises) don't cover the expenses of farms for payment of interest for soft loans (3%) granted by banking institutions for financing the costs for production of raw cotton and grain-cereal crops.

Therefore, in our opinion, it would be better to change over to a system of allocation of advances by procuring for financing the costs of farms. This, on the one hand, will help farmers to reduce the expenses for loan service. Procuring enterprises take monopolistic position any way.

The funds allocated for funding the costs for production of grain crops and raw cotton don't fully cover the cost of materials and technical resources provided to farms. As a result, due to the threat of the loss of harvest, servicing enterprises are forced to supply unpaid materials and technical resources for grain and cotton production, that is also to a great extent the reason for accounts receivable and payable. Therefore, they have to be studied further and identify the typical cases for elimination thereof.

For the recent years, a progressive increase of production efficiency is noted in grain growing. Production profitability of grain and cereal crops increased from 24.0 % in 2008 to 29.5 % by the results of harvest of 2013. Increase of profitability in that period was provided in gourds and melons (from 25.2 % to 32.1%), as well as meat production (from 9.6 % to 27.6%), milk production (from 3.2% to 52.1%) and egg production (from 8.4% to 52.%) and other. That is, in all sectors, profitability is above 25%.

At the same time, the position of cotton sowing farms worsened, especially, those owning low-yielding lands. Profitability of production of raw cotton was lowest in the agricultural production, and it reduced even more from 3.8 % in 2008 to 5.0 % by the results of harvest of 2013.

The main reasons for that worsening of economical position of the Republic agriculture, in particular cotton breeding, are:

1. Outrunning rates of increase price (price disparity) for industrial products, purchased by agricultural producers, compared with growth of prices of agricultural products. For the period of 2008-20013, the prices of diesel fuel increased 1.5 times, nitrogen fertilizers 5.5 times, phosphoric fertilizers 6.6 times, potassium fertilizers 1.7 times. Meantime, purchasing price of one ton of grains increased by 2.4 times, and one ton of raw cotton 2.2 times.

Although under the Resolution of the President of the Republic of Uzbekistan No. PP-1449 dated 24 December 2012, 25% of positive difference between the world and domestic prices of cotton fiber in 2011 were allocated to private farms cultivating raw cotton. Such practice was also used in subsequent years, with allocation of 50% difference, that helped to reduce the indebtedness of farmers.

2. Crop yield. The main problem here is that we still haven't reached the level of 1990 in cotton crop yield, that was 27 centners/ha. Although in all basic crops, the yield is steadily increasing. Considering the fact that cotton is cultivated on a great area, e.g. in 2014 it occupied 1280.2 hectares of sown area, it means that compared with 1990, we missed 448.1 thousand tons of picked cotton. Of course, there are farms with yield more than 40-50 centners/ha, but some have 6 to 7 centners/ha. Here we should pay attention to the fact that the significant number of farms has cotton yield up to 10 centners/ha. Cotton is grown on the lands where yield class is above 40 points, that means the minimum crop yield should be about 15-16 centners/ha with implementation of required land treatment activities.

There is unprofitability of farms producing cotton on low-yielding lands, the costs exceed the amounts of subsidies allocated for those purposes, and they gradually change over to another crops.

3. Low level of wage of employees in agriculture, especially in cotton growing. Since the level of remuneration in agriculture is 40 – 50 % of the remuneration level in the industry. Here, of course, seasonality plays great role. Also the level of remuneration is greatly affected by the fact that the number of people employed in the agriculture currently exceeds 3 million. The recent decades, the portion of those employed in agriculture from the total employment is unalterably more than a quarter of the total population, Table 1. At the same time, the portion of agrarian sector in the GDP gradually reduces.

**Expenses** related to monitoring of results and quality of work of specialists and workers as well as the costs of farm management are **intra-farm transactional** costs. In agriculture, such monitoring has significant difficulties due to a number of objective conditions. In the agrarian sector, as distinct from the industry, it's very difficult, or sometimes impossible to determine the input of each specialized worker in the end result. Whose merit or fault is in good or bad harvest – plougher, sower, irrigator or agronomist, or weather? Ascertaining this is related to separation in time between the labor input and gaining the result.

And the great role of weather conditions, beyond control of man's will. And. Since it's impossible to everyone's contribution in the output, then it's impossible to create effective system of labor stimulation, also it's impossible to conduct monitoring identifying what stage more or less affected development of plants or animals.

Labor relations between farm (employer) and its workers are regulated by labor contract in accordance with the laws. Labor rules in a farm are established by its head in accordance with the law. Accounting of labor activities of farm workers is organized by its head.

Amount of remuneration of labor of farm workers is determined by agreement of parties in money or in kind no lower than the statutory amount of the first category of the Unified Tariff System for remuneration of labor.

In this aspect, agriculture appears to be in disadvantageous situation, since the level of remuneration in agriculture is 40-50% or even less of the remuneration level in the industry.

The level of remuneration is affected to a great extent by the fact that the number of employed in agriculture is currently exceeding 3 million people. The recent decades, the portion of those employed in agriculture from the total employment is unalterably more than a quarter of the total employment (Table 1). Mean time, the portion of agrarian sector in the GDP gradually reduces.

In our opinion, in private farms, the level of remuneration is affected by the fact that a farmer has a full right to residual income, i.e. income less contractual remuneration and all other factors. Since actually an employment contract fixes only the necessity of subordination of an employee to the decisions of employer, then here is a great opportunity for reduction of losses using various methods. This can be seen in the regression analysis.

On the basis of correlation-regression analysis according to the data of 2010-2012 of the Republic of Karakalpakstan and the provinces of Uzbekistan, the dependence of crop yield on the average point of yield class, total costs and wages is estimated. Based on the 5-years statistic data, the estimated regression model gives the following results:

### OUTPUT

<i>Regression statistics</i>	
Multiple R	0,675088323
R-square	0,455744244
Normalized R-square	0,428977567
Standard error	2,641961126
Observations	65

<i>Dispersion analysis</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Importance F</i>
Regression	3	356,5339104	118,8446368	17,02655	3,8E-08
Remainder	61	425,7774742	6,979958593		

Total	64	782,3113846
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	<i>Coefficients</i>	<i>Standard error</i>	<i>t-statistic</i>	<i>p-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Y-crossing	9,830647189	3,757986214	2,615934873	0,0112	2,316089	17,34521
Variable X 1	0,202969522	0,071913508	2,822411626	0,006427	0,05917	0,346769
Variable X 2	-0,00013737	0,000168926	-0,81319723	0,419268	-0,00048	0,0002
Variable X 3	0,009107284	0,001611059	5,652978659	4,44E-07	0,005886	0,012329

Thus, our variables demonstrate the following dependency:

$$Y = 9,83 + 0,20X_1 - 0,0001X_2 + 0,0091X_3$$

Here : y – crop yield;

Factors affecting crop yield:

$x_1$  – average soil yield class points;

$x_2$  – total costs (without remuneration of labor) per hectare, thousand Soums;

$x_3$  – remuneration of labor (social payments) per hectare, thousand Soums.

Increase of yield class by 10 points in average increases crop yield by 2 centner/ha or increase of yield class by 1 point can increase production by 0.2 centner/ha. And increase of total costs cannot lead to increase of crop yield, or even given negative result. Such result can be explained by the fact that the costs are affected by the prices of resources (mineral fertilizers, fuels, lubricants, etc.) and services, as noted above, they increase some faster than that of raw cotton. It's seen that increase of crop yield is affected in greater degree the land yield class which depends on many factors, including capital expenses for land. Considering the fact that in agriculture in a short-time period there is the law of decreasing output, i.e. marginal costs give lower results, or achieving previous result requires more investments. And therefore, the capital costs of farms currently ensure only maintaining the yield class on the same level, and increasing the yield class of land requires more capital investments. But remuneration of labor gives positive results. Increase of costs for remuneration of labor by 100 thousand Soums can lead to increase almost by 1 centner of harvest. Cotton picking is very laborious, time-consuming and wearisome job. Timely harvesting has great importance and due to this, wages of seasonal agricultural works for raw cotton picking is exempted from income tax. But crop yield is formed in the vegetation period. Since 2012-2015 the portion of wage amount from total costs is 33-36%. And our observation shows that there are many cases when due to low level of wage, workers were reluctant to be employed by farmers. In addition, great role here is played by seasonality of works in this sector, which in turn affects the compliance with the rules in realization of agrotechnical conditions. Certain agrotechnical activities cannot be done by machinery.

Head and workers of farm are subject to state social insurance. Charging and payment of benefits of state social insurance and pensions to them are done in the manner and on the conditions set by the laws, it is 25 % of charged amount of wages. This also affected charging of wages. And since 2015, under proposal of economists (and the author of this article among them), it was set at 15 % for workers of small business and private farms.

Also, in execution of the Resolution of the President of the Republic of Uzbekistan No. PP-2460 dated 29.12.2015 about the Measures for Further Reforming and Development of Agriculture for the period of 2016-2022, first of all, focused on provision of effective and rational use of invaluable land and water resources by optimization of the structure of sown areas, introduction of new advanced agrotechnologies of crop cultivation with use of modern methods of biotechnology, increase of economic efficiency and financial sustainability of farms, expansion of export potential of the sector, that undoubtedly will lead to increase of crop yield and finally of the level of living of rural inhabitants, decent life not only in able-bodied, but also in pension age.

Here it should be noted that the growth of costs for cotton production is a common world tendency. In Uzbekistan it exceeds the average world level. If throughout the world the cotton production costs have grown: in 2010 compared to 2006 they increased by 132%, in Uzbekistan by 147%; in 2013 compared to 2010 they increased in average in the world by 1.2 times, in Uzbekistan by 1.7 times.\*

Therefore, for increasing the efficiency of functioning of farms, in our opinion, each farmer should thoroughly analyze the data for 5 years period comprising the production cost of raw cotton and factors affecting it. And identify positive and negative trends and make decisions. And here we can rely on consulting and economic assistance of corresponding infrastructures. Also, close cooperation is required with scientists, including economists. And finally, it's possible to apply with proposals, innovative ideas to relevant authorities. Relevant conditions and legislative base for this are created in Uzbekistan.

There is another side, which is more political. Such legal norm is to a certain degree is an incentive to raising the activity of farmers themselves in terms of creating and development of professional associations for assertion their interests. Voice of a group is always louder.

The agriculture of Uzbekistan is one of the large sectors of the national economy and the balance of consumer market and sustainability of country economy development depend on its state. Due to well-thought out polity realized by the state for the years of independence, the sustainable growth of agricultural production is achieved, which was in 2015 more than 3.3. times than that of 1995, and starting from 2005 it is in average about 6 %.

The legislative base of the Republic creates reliable legal basis for dynamic development of farming in Uzbekistan.

Great attention is paid to ownership rights, transactional costs, especially contractual relations. A contract fixes the powers and the conditions in which they transfer from one agent to another. Considering the fact that preparation of contracts is an important factor for business entities, the responsibility of local governmental authorities and farms for performance of contracts is increased. Also, the responsibility of officials of governmental and administrative authorities is increased for made decisions, service of farms and contracts.

Strengthening of measures for due recovery of accounts payable from farms to the state budget and extrabudgetary purposeful funds, as well as basic serving sectors, including by collecting judicially of their personal property undoubtedly require the farmers to take sufficient efforts for performance of them. The responsibility of local governmental authorities and farms is increased for performance of agricultural procurement contract for the state needs.

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\* Tajibaeva D. Private Farms and Scientific Theoretical bases of their Efficiency.// Regional Economy. Theory and Practice. 2016, No.8, p. 89.

This requires creation of the conditions for timely performance of contracts, ensuring sufficient profitability, assuming broadened reproduction, by establishing relevant level of purchasing prices for products made for the state needs. It's necessary to develop the activities for the state regulation of prices. Without this, whatever is the support, it will never in principle compensate the losses of low prices of agricultural products. We lose more from low prices than from insufficient support.

The following is necessary:

- assistance to reduction of production costs and reduction of cost price of product by wide application of resource-saving and combined technologies;
- development and introduction of the mechanism of covering additional costs of farms for pumping irrigation (with pumping units of farms);
- assistance to development of multiprofile farms promoting increase of their revenues, improvement of regulatory and legal base and creation of economic mechanisms stimulating the development of non-agricultural types of business in farms for mitigation of production seasonality problem;
- experimenting with creation of agrarian-financial-industrial groups to deal with the issues from cotton sowing to production of end use products.

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## NEW TRENDS IN THE FURNITURE MARKET OF UZBEKISTAN

Gulsarakhon Ostonaqulova<sup>1</sup>

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### ABSTRACT

*In the years of independence Uzbekistan has diffused market oriented economy while consumer behavior and analyze consumer's level of satisfaction has also altered positively on this way. Using a questionnaire survey and in-depth in-terviews with respondents' the consumer behavior the study examines the product attribution. Hence, consumers consider important when choosing furniture for household use. The results indicate that Uzbek consumers' purchasing relations and behavior mainly on the furniture quality, design and the price. Consequently, practical suggestions and recommendations were formulated for industry policy and strategy while making deep analyses as whole.*

**Keywords :** *marketing relations, furniture production, furniture industry, entrepreneurship and small business, competitive environment, segmentation, customers' behavior, marketing complex.*

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### Introduction

Nowadays, furniture factories and shops that are operating in Uzbekistan have been increasing dramatically (Abdukhalil, 2016). Most of them are considered as enterprises and the rest ones are small businesses and micro-firms. In early years of independence there were several large companies in furniture market (Dwyer, Edwards, Mistilis, Roman, & Scott, 2009).

Modern marketing has stepped over the logic of its traditionality and has abandoned its representation as a simple exchange process based on transactions (Abdukharimov B.A, 2013).

Marketing can no longer be considered only as a function with a predetermined range of specific tasks. The range of issues that are in the sphere of the interests of marketing of furniture products is expanding - in the focus of marketing, in addition to classical components, consumer behavior and the vital interests of clients are (Abdukhalil, 2016).

The furniture industry of the national economy is a complex, high-yielding complex, a rapidly growing sector of the economy of Uzbekistan, which has a stimulating effect on the welfare of the population (Akimov & Dollery, 2006).

The commercial success of a company in the furniture products market essentially depends on how much it can support the existing structure of the population's targeted needs in home furniture and organizations in office furniture and form an optimal portfolio of furniture products. In the conditions of sustainable economic growth and modernization of enterprises, marketing is a strategic guideline, the goal of which is to establish long-term partnerships at micro and macro levels (Ames, Brown, Devarajan, Izquierdo, & others, 2001).

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Expansion of the traditional boundaries of furniture marketing is associated with the formation of a new paradigm of relations with consumer audiences, based on the formation and maintenance of loyalty to furniture manufacturers and their services (Akmal, 2016).

In modern times, marketing relations as a fundamentally new concept of marketing considers the relationships of furniture market participants as a result of effective interaction of producers and consumers, in which intellectual and information resources are integrated. At the same time, the emphasis in communication activities is transferred to the individualization of interaction with participants in the marketing system, which is possible only on the basis of the development of long-term partner relationships (Foreman-Peck, Zhou, & others, 2016).

In the context of globalization of the economy, especially the acute problem is the development of technology for the formation of relations aimed at communication space in order to attract all stakeholders to design, create and promote a new product, as a result of innovative activity of enterprises (Anvardjanovich, 2017).

The solution of this problem requires the search for new approaches and appropriate scientific elaboration of theoretical and methodological aspects, justification of methods and recommendations for the effective implementation of relationship marketing as the basis for competitiveness and sustainable and dynamic development of business entities (Brück et al., 2014).

## **Methodology**

The results of research from the standpoint of international and local furniture market novices in the present purpose, in which case the approach in the production and marketing of the product and the manufacturer and marketer to determine the effect of the changes to give an answer to "what should I do in current and future periods" is to offer to find the answer to the question (Ajwad et al., 2014).

Furniture in firms which operate in the conditions of the market economy to be globalized competitive investigation the introduction is necessary.

"The changes at the time of hold if your area gets of saying" for people engaged in the business of the firm in the current period, in particular for the furniture industry is very important.

Briefly stated, the sentence should be understandable the representatives of the business, when they noticed their own changes, accept it.

Formation and development of the economy of particular countries and regions long-term serious influence the sustainable growth of the used goods market is well known. Many facets of these needs, the production of only a certain country and its region at the expense of the goods within satisfy, but they are also at the expense of the production of the importing country is satisfied this long-term use, the probability of the goods market, the importance of international cooperation one of the factors is defined as an vital one (Anvardjanovich, 2017). Used long-term integrasion the world's production of goods is one of the factors of the process, long-term used goods market and has become one of the most important sectors of the economy. The majority of nations in the world economy consideres the global trend as an exact one.

These long-term period is used goods to adapt on the market itself. One of this furniture just so the market is the market.

Furniture designed to practice different groups of consumers in the market under different production technologies, marketing methods, sales and logistics as whole.

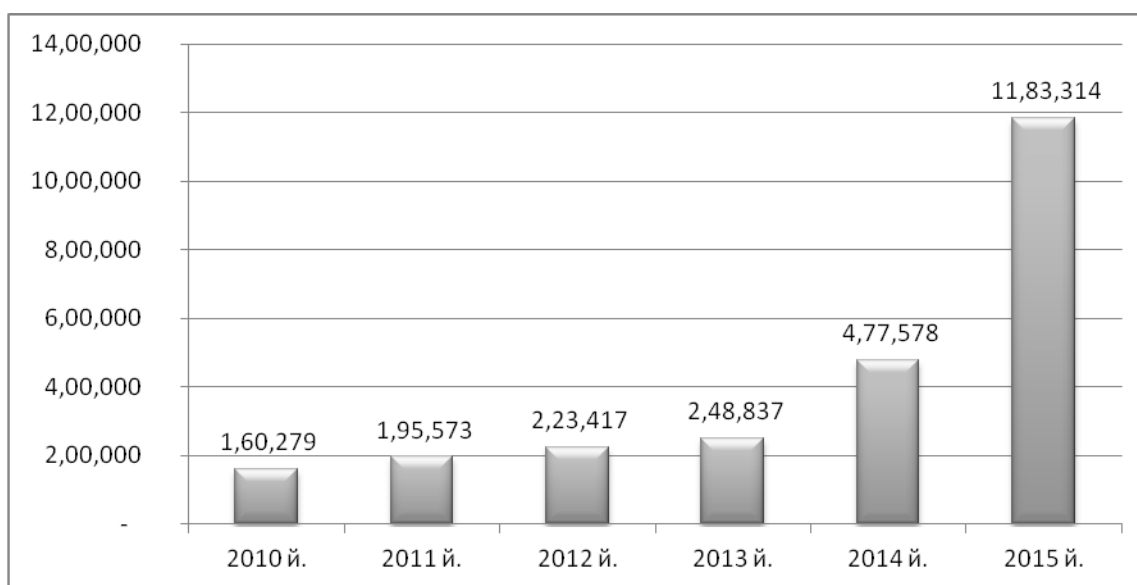
Special ones are enough to have a whole group of the goods market, there is scheme that could be considered as a major ones as whole.

Tough competition in the market is very vital aspect, high differentiation of goods and services, consumers taste the variation and decrease the life cycle of furniture products has become one of the important factors affecting the growth in demand is the major reason at all (Muminov, Gafurov, & Shigabdinov, 2010).

According to data from the federation of european furniture, only the furniture industry of the whole world in the year 2011 the size of 109 billion US Dollars [4]. In addition to this we also try our conduct analyses in our country, the furniture industry has been developing at a high pace.

### Current furniture world of Uzbekistan

Moreover, 160 billion in 2010 production volume of the Republic of Uzbekistan on the furniture at all. Furthermore, this volume has increased in total dollars, while in 2015 year 1183 billion. sum up were aggregated [5]. The year 2015 compared to the year 2010, this figure of the furniture industry has grown in 7,4 times more than we can see that (1-picture).

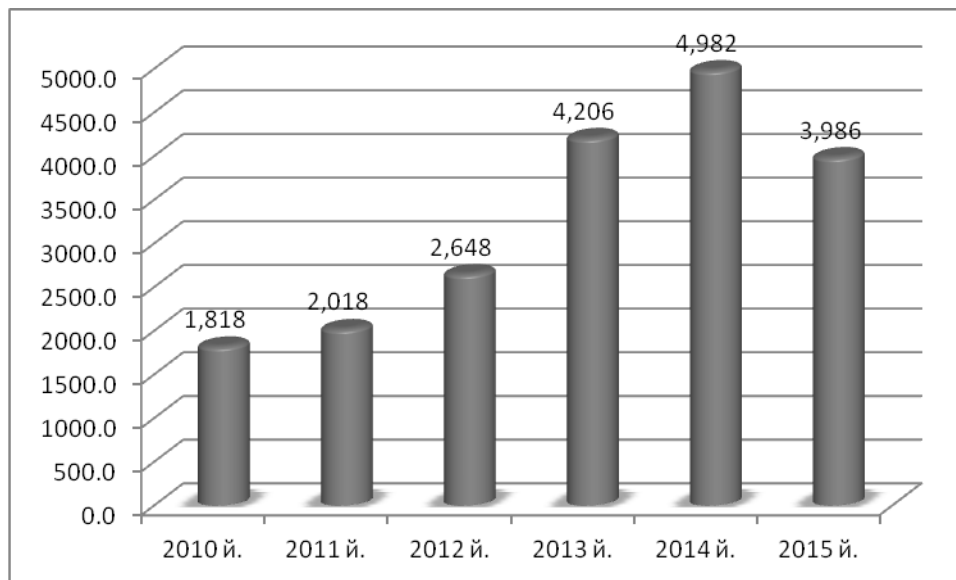


**1-picture. The dynamics of growth with the size of the furniture production in the Republic of Uzbekistan (million sums).**

Modern industrial furniture and other products in the market one of the main changes, of course, the producers, sellers, suppliers, goods and consumers send and receive rich information in the new opportunities. In addition, lots of values were created, and their low cost is that you can take.

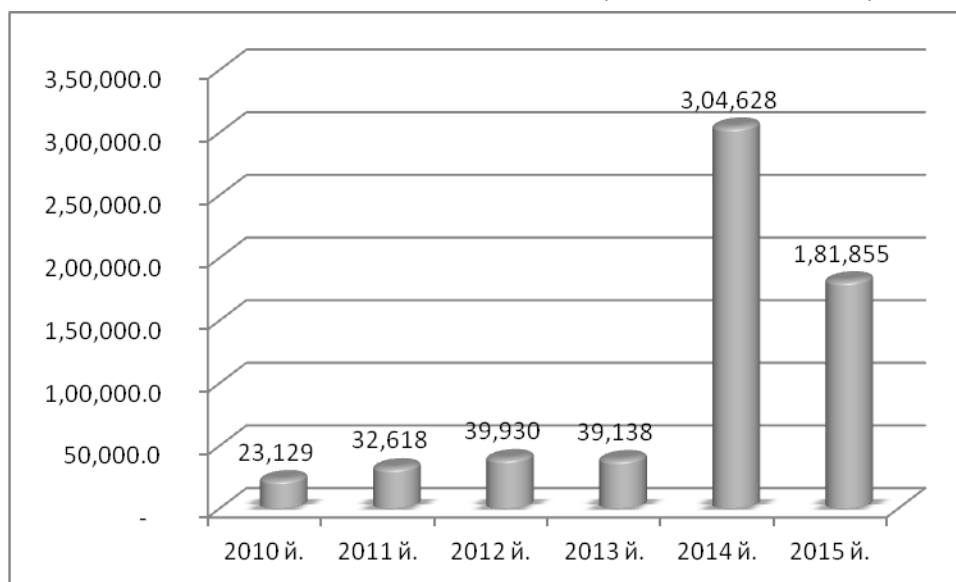
Them oral this information, the video image through the database and through mutual communication and personal shaxslashtirilgan as well as they can collect. This information options and information at low cost to get a very wide range of furniture manufacturers, the sellers and the buyer do what he wants to continuous storage at the time of application and are used to make strategic decisions (in order of use).

Furniture has the potential to radically change the production and marketing of new information technologies. This technology accelerates the globalization of markets, in particular, can be transferred to the consumer that the manufacturers dominated the market in the world market .



**2-picture. Dynamics of export volume of furniture products of the republic of uzbekistan (in thousand us dollars).**

Source: Based on data of the state statistics committee of the Republic of Uzbekistan Developments author has constructed



**3-picture. Dynamics of import volume of furniture products of the republic of uzbekistan (in thousand us dollars).**

Source: author based on data of the state statistics committee of the republic of uzbekistan developments

**Table-1. Furniture export and import indicators in the Republic of Uzbekistan (thousand USD)**

Indexes	Years				
	2011	2012	2013	2014	2015
Export in total	2674,2	3387,8	4 206	4 982	3 986
From which, finished products from plastics and other materials	11,8	61	48,6	349,7	394,2
Plates made of wooden materials	55,0	71	33,7	10,2	22,0
Resin plates	-	352,8	236,4	69,9	61,6
For furniture fittings and accessories	584	805	976	1629	1142
Designed furniture for you to sit down	17,2	6,6	93,6	39,2	3,4
Beds	461,7	523,9	553	39,2	3,4
Furniture and its parts	1177	1048	1863	1103	656
Import in total	186 771,6	192 140,6	39 138	304 628	181 855
That plastmassadan made furniture products	1353,0	1 536	3 978	31891	21722
Glued laying a coating for plywood	447,9	574,6	767,6	140,8	100,6
Wood-filing, wholesale, and other types of plates	55434,2	71 746	68 154	10,2	22,0
Medical tables	4498	2 172	921	-	11,5
Mixture of wood-fiber plates	41739,9	59 212	62 259	69,9	61,6
Plywood is a material of the same type panellariva-layer made from wood	14950,3	69 970	20 306	-	1,3
Other furnitures and parts of this	4725,6	4 358	5 762	527,8	255,8

Source: Author, based on data of the state statistics committee of the republic of uzbekistan of developments.

### **New Trends In The Furniture Market Of Uzbekistan**

During the period from the independence of Uzbekistan from the international market due to furniture manufacturing companies in the local market is in free fall dominated the position, and enough high-quality raw materials, a lot of consumers in the transportation of furniture and those who profit from the transport barrier there.

Currently local furniture market in general international competition (competitive in the international market), home-import and export of their equipment are growing relatively fast.

Among the regions displayed in the region and actively in the export of furniture, Andijan, Bukhara, Navoi, Samarkand, Tashkent and Tashkent region and entered the city foreign furniture according to the buyer of the product to Russia, Kazakhstan, Tajikistan and Afghanistan. The form of the export potential of our Republic but furniture now has been improving dramatically.

Due to this, currently produced furniture products in the local market of our Republic and abroad have been dominated by entrepreneurs. Republic in the year 2015, has invested 181 855 Thousand US dollars,

which is equal to the import of furniture products. Our main furniture are exported to turkey according to data from the Republic among the countries, China, Russia, Germany, Poland, Latvia, the Czech access to the firms[5].

Freedom in the import of furniture has increased foreign trade, logistics and information and communication technology that was accomplished at the expense of achievements.

However, because of the wide implementation and international competition, the companies constantly globalized integration furniture manufacturing, raw material suppliers, finished product manufacturers, furniture sellers and new marketing distributors updates should be applied. Highly competitive market, in particular, the furniture products in the market, the manufacturer "viable" stained changes to news that is very important.

Period to answer without interruption innovasiyalar create and implement new technologies, trends, and conditions of the firm to adapt to the long term "viable" is a guarantee stained.

**Table-2. The pace of gross domestic product and furniture production of the Republic of Uzbekistan in the years 2006-2014 dynamics.**

Indexes	Measurements	Years								
		2006	2007	2008	2009	2010	2011	2012	2013	2014
GDP	Trillion sums	28,2	39,0	49,4	62,4	78,8	98,0	121,0	134,0	145
Sales of furnitures	Milliard sum	33,0	35,3	40,8	55,8	66,6	75,1	85,7	146.	341
Production	Milliard sum	45,1	73,5	114,0	115,0	160,0	195,0	223,4	248,8	478
Sales of furnitures	Compare with previous year %	100	106,5	115,3	136,7	119,6	112,6	114,2	170,4.	233
GDP per capita	Per person	1,1	1,5	1,8	2,2	2,8	3,3	4,1	4,8	4,7
Sales per one person	Thousand sum	1252	1313	1492	2004	2330	2560	2875	4834	11107
Quantity of Population	Million sum	26,5	26,9	27,3	27,8	28,6	29,3	29,8	30,2	30,7
GDP growth	in %	7,5	9,5	9,0	8,1	8,5	8,3	8,2	8,0	8,1

Source: www.ADB.com

As seen from the table, the material of the furniture industry's gdp growth and much higher than the population as a result of the development of the ability to buy furniture products is also increased. In particular, the per capita buying furniture 2010 -2014 next year of 2.3 million.from the sum 11,1 million.to sum, grow, or almost 5 times increased. However, one of the negative aspects because of the high quality of imported furniture due to its high share in the structure of the purchase of remains.

## Conclusion

Furniture production in uzbekistan according to the above analysis of the related data, import dynamics of fellow strong.

Furniture products imports causes an increase in recent years in uzbekistan:

- first of all, consumers and producers of information technology, from raw material suppliers furniture manufacturers and strengthened those ties, global exchange of information lowered also, differences in the choice of the buyer;
- lowered transport costs in international container transportation of furniture, was given to eradicate damaged in their transportation. a collection of furniture that can be easily part of the consumer buyer has the same requirement;
- today, due to new technologies in the production and marketing of furniture caused widely in international exhibitions. International fair of furniture products in uzbekistan held three times in recent years;
- the barriers between countries were removed or softened in international trade.

The above changes in the furniture market of the republic of uzbekistan corresponds to the period of rapid growth and expansion. The increase in the number of the population in the years of independence, improvements in living conditions, income increase has increased the demand for furniture products. This lead to the development of the furniture market.

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## WORKPLACE MOTIVATION IS THE NEED OF THE HOUR: A COMPARATIVE STUDY OF USA AND INDIA

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### ABSTRACT

*The objective of the current study is to comprehend on the requirement of motivation at work place that contributes to personal and professional growth within individuals that may lead to a sustained growth in organizations and employee retention. The study has been conducted in food outlets in Long Island, New York, USA and Delhi, North Capital Region, India. For the purpose of this study, purposive and convenience sampling method has been deployed during the study. The findings of the study concluded eight key factors that lead to motivational strategies to boost up employee morale and satisfaction leading to an enhanced and sustained growth further leading to bottom line profitability.*

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### Introduction

Maintaining motivation at the workplace among the employees is possibly the most critical task from an organization point of view. The owner or the manager has to make a balance between employee satisfactions along with the dining experience to the customers. (Shields, 2007). A study conducted by Lockley, (2012) concludes that often training and development initiatives are one of effective engagement of employees that leads to positivity and motivation among the employees. Another study conducted in the area suggests that job-rotating, job-sharing and flexible job-timings may also have an effective tool of employee motivation (Llopis, 2012). Contrary to this study, another study by Wylie, (2004) concluded that in order to motivate employees it is vital that the employers need to self-motivated. Further, the author also concluded that identifying the different approaches to motivation is a difficult to comprehend. Possibly different variations of intangible motivational tools such as

Employee involvement in decision making process, fair means of treating employees, flexibility to approach the higher authorities and organizing fun activities so as to break the monotony of the routine job-schedule creating works life balance. These action points can eventually eliminate the cross cultural differences as well (Thomas, 2009; Lockley, 2012; Kreitner and Cassidy, 2012).

### Case Scenario

Globally, a decline of 4% per annum is being projected due to the economic recession by World Tourism Organization (Martin & Isozaki, 2013). This concern has made multiple challenges to the managers in the hospitality industry to suffice the organizational needs and sustained. Fierce competition and lead with an competitive advantage is the key to sustained growth in the Industry. (Martin & Isozaki, 2013; Testa & Sipe, 2012). Employees in the hospitality industry at every level often have various opinions concerning the work ethics and decorum that may lead to bottom line profits while managing age-diverse staff is the highest concern amongst others. Therefore motivational strategies may develop and improve work conditions that

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further lead to satisfied workers at all levels (Karadag, 2013 & Benson & Brown, 2011; Gursoya, Geng-Qing Chi). Previous studies concluded that in the United States of America nearly 6, 00,000 employees leave from their services each year due to multiple reasons and thus it is evident that management finds it difficult to retain employees (Cutler, 2013). This study has also been validated by the U.S Department of Labor and also by the Bureau of Labor Statistics 2013. Multiple factors such as growth, disagreement with the management on perceptions & thoughts, compensations, attitude and performance management are the critical factors that lead to not only a sustained growth of an organization but also enhance affect employees morale as well. (Gruman & Saks, 2011).

### **Objective of the Study:**

The target of this study is to discover the motivational schemes at the service restaurants to escalate the employee's enthusiasm and performance. The partakers for this study were from the local service restaurants at New York, and Boston, USA. This study have used convenience sampling method during dinning at multiple restaurants at USA during my Explore America Program. On my return to India, I made an attempt to have a comparative comprehension on the service restaurants at Delhi, North Capital Region, India as well. This study enabled me to have a clear understanding on the cultural differences, job-structure, work ethics of two different countries barring the exception of developed and developing country. To further comprehend the theoretical perception I reviewed various peer reviewed articles, books, dissertations, papers, internet websites and different government reports etc. Due to my intention to explore the scenario for the practical purpose, I wanted to understand from the practitioner's point of view. Therefore I decided to conduct a primary survey as well. I have kept intentionally my research instrument simple due to the fact that I am currently a novice researcher. The respondents were questioned on the factors that drive the performances of an employee from managerial perspective. I requested the respondents for about 20 minutes to seek consent to respond to my questions for the purpose of this study. If the chief question did not provide me with an appropriate satisfactory answer, I stopped questioning them once more. The questions that the participants for the purpose of this study are:

1. What are your techniques and strategies to motivate the employees in this restaurant?
2. What are the preferable strategies that you found the most influential amongst others that has led to a satisfactory employee competence and performance?
3. What is the tool to measure employee performance?

### **Suggestions:**

Based on the interview questions, the authors conclude the following factors that may be key factor for employee performance vis-à-vis sustained growth of an organization in the context of hospitality industry.

1. At all levels employees can affect a change in the society. Involvement, entrepreneurial attitude, involvement of millennials may drive a greater transition with positive impact of an organization.
2. Promotion of community development and involvement brings a huge change in the attitude of an individual employee. This further leads to a positive relationship with the diverse group of individuals externally that may help improve the community as a whole thereby a progressive economy.
3. Recognition is the key and the unique selling proposition for an enhanced employee performance. Some of the pertinent action steps may include monetary benefits in the form of bonus looking at the bottom line profits. Few measures such as promotions and rewards or recognitions may also lead to enhanced employee performances. Some of the Indian restaurants that operate in large scale also

provide local tours with family as well. Hosting dinner with family members during occasions or festive seasons also might lead to a greater employee performance.

4. Guest satisfaction also acts a key role in employee motivation. While dinning at a local restaurant in the Boston area of USA, I was mesmerized with the Indian cuisine prepared at USA. I instantly appreciated the Chef and thus the Chef was called from the Kitchen. The appreciation further lead to a happy moment, while I was been served with a dish of my choice as well. This not only motivated me to walk to the restaurant once more However, I could not avail the opportunity to visit the restaurant once more due to the fact that I was with a group and had to return back to Oakdale, the very next day.
5. Organizational Behaviour Theories also applies while trying to understand the various strategies, such as demonstrative leadership that may contribute to an enhanced performance of an employee rather than an autocratic leadership.
6. Involving employees in strategy decision making process with respect to the confined levels provides a boost up motivation to employees thus leading to greater efficiency of employees.
7. Invariably in the restaurants at NewYork and Boston do provide a perfect work life balance with respect to job-timings, however this aspect needs to be developed in Indian scenario.
8. Mutual respect at all levels and words like "Thank You, Good Morning, Good Afternoon, Good Evening, Do you need any help please" are the key words that serves as respect to the dignity of employees at all levels. This culture was invariably been observed in the restaurants at USA while this needs to be demonstrated in the culture of Indian context.

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## PARENTING SKILLS: INFLUENCE ON CHILD PSYCHOLOGY- REFLECTION ON USA AND INDIA

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### ABSTRACT

*The intent of this study was to understand the difference in the American and Indian parenting and its effects on teenagers. The study was to identify the parameters on how Indian parenting is different from American and how it is affecting teenagers. Specifically, a cross cultural comparison was done. It was observed that most of the Indians follow authoritarian parenting. Whereas majority of the Americans are more likely to adopt the more authoritative to permissive parenting style.*

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### Introduction

Globally, in the present scenario on an average we understand that there is a serious increase in suicidal cases among age 18-25. As per the data collected by the Indian express, suicide rates in India are climbing faster than the rest of the world. The recent study on suicides in India published in the International Journal of Epidemiology illustrates the limitations of data published by India's national crimes record bureau (NCRB), which is the administrative source of data on suicides. From 2001 to 2010, 33.7% of suicides were attributed to social reasons. This classification encompasses a wide variety of conditions. In which most of them commit because of getting of a failing grade in examination, physical abuse, pregnancy outside of marriage. The major reason of suicides in India is a socio-cultural effect on them.

The present study is on parenting and its effects on teenagers. This is a comparative study between Indians and Americans. This study or observation was done in USA (Long Island, New York) and India (Telangana, Hyderabad). I also related personal cases also in this observation. The observation was done by interviewing parents and questions put forward to their children. The study was done to know the differences and effects of parenting. It was observed that parenting style show a lot of effect. There is a lot of variation in parenting under aspects of cultural values, Ethics, morals and social life. It is observed that difference in parenting show an immense effect on children's goals, self satisfaction and self motivation. The study was completed through ten respondents from USA during Explore America Program organized by Amity Education Group and ten individuals as respondents from India on my return to India.

On this pretext, the author made an attempt to understand the effect of parenting on their children through the following question:

1. How do your parents act when it comes to your education?
2. Have you ever been physically abused and sexually abused?
3. Did you tell about it to your parents? How did they react?
4. Do you express your feelings, likes and dislikes to your parents? Do they concern about them?
5. Are you happy with career you choose? Did you choose this by yourself or parents did?
6. Do you speak about your relations with people to your parents?

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7. Were you forced to do things you don't like anytime?
8. Do you share your problems and pains (mental or physical) with your parents? If you do so how do they help you in getting over it?
9. Do you hide things from your parents? If 'yes' why do you do so?
10. Do your parents encourage and support even when you fail?
11. Does your parent's mood affect you?
12. Do you share things which happen in your life to your parents? If 'no' then with whom do you share with?
13. Do your parents think about your comforts?

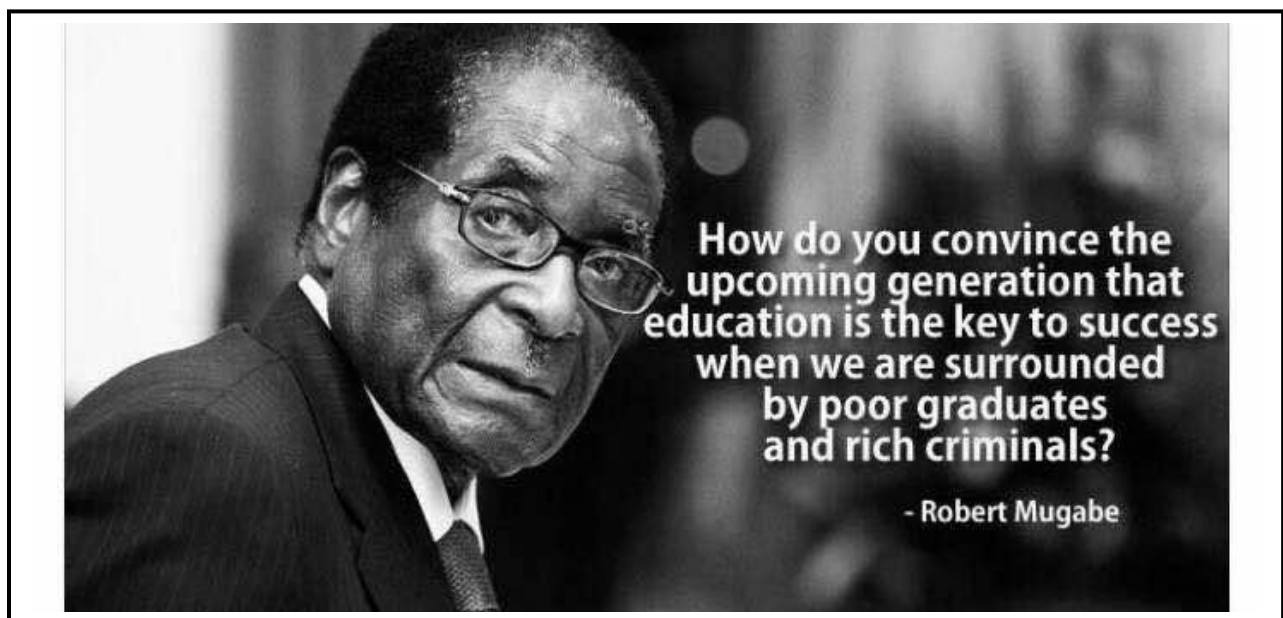
This questionnaire was given to ten teenagers in USA and ten in India. When they were compared there was a varied difference between Americans and Indians response. The author observed that Americans express their like and dislikes to their parents as compared to Indians. Out of ten 10 American respondents, 80% expressed without any fear whereas out of 10 Indians 40% respondents expressed their likes and dislikes. The author observed that Indian teenagers are not happy with career they chose as most of them are forced to do choose their career. To know the reasons the author spoke to few parents in both the countries. It was observed that Indian parents stop their children from doing things which their children want to because of the society. They think about the society more. Whereas in USA people's policy is "live and let live". it was also observed that teenagers are not encouraged and supported India compared to America. When the interviewed the questioned teenagers parents about why do they react in that way, they confessed that the earnings are more important than the self- satisfaction. This is why the Indians have less self-satisfaction. As they are not given chance to express their inner soul feelings at a very young age they are getting prone to stress and depression. Lack of self confidence is seen because they are not given courage to speak. In India when we clearly study in depth about suicides, young girl's suicide cases are more compared to men's. That is because girls are more restricted and knotted with cultural aspects and dependency. It was clearly marked that parental norms put more pressure on teenagers and this pressure is stronger and straining them compared to peer pressure. Due to the parental pressure they are more connected with friends and like to spend with them more. The author observed that out of 10, about 80% of them in India share things with their friends rather than their parents. With increasing stress they are turning to be victims of smoking, drinking and drugs. According, to [drugaddiction.in/news](http://drugaddiction.in/news) the drugs intake is growing in places like Punjab, Mumbai and Hyderabad.

Many suicidal notes tell that teenagers opted to end their lives because of fear of accepting things with parents, pressure exerted by parents in their education, sexual abuses. In India out of 10, 70% answered that they told their parents about sexual harassments that they have gone but their parents did not react in thinking about the reputation in society. Disagreement with children's wants and needs is seen more compared to America.

### **Suggestions:**

Based on the study conducted, the author conclude that the following steps may be followed that are significant chances of not effecting the teenagers mind.

1. Teenagers have high chances of getting influenced to bad that is why parents should not stop them from expressing their feelings. If the parents are not giving chance to hear then there is a higher chance for the teenagers to do bad secretly.
2. Encouragement is very important in everybody's life and parents play a major role in this. So encouraging kids in what they want to do will not make them fail rather teach them. People learn from mistakes so we should also give chance for them to learn from mistakes, this step will indeed make them right.
3. Children should be given courage to express their inner feelings so that parents can guide them if they are on wrong side.
4. Intelligence cannot be counted by grades. So parents should know that being intelligent is more important than grades.
5. As the generations are passing the world is opening doors in every stream of education so children should be given freedom to choose their career.
6. Friends can share your pain, parents can guide if wrong that's why be a friend to your children first so that they can share things with you and then guide them.
7. Punishments do not teach children only realization does. So make your children realize.
8. The more we are quite the more weak we become. So don't let children face any sort of physical abuse or sexual harassment. Be with them and let them fight.
9. Do not exert pressure which will drive them into depression and stress. Stress and depression at very young age not only affect their routine but also their health.
10. Help your children when they tell you about the pain and sadness, so that they don't end their lives with regression.



## A PERCEPTION OF RURAL CUSTOMERS OF M.P (BHIND) TOWARDS E-BANKING

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### ABSTRACT

*It is very true that the banking Industry is the backbone of the financial system of our country. The need to survive in the changing environment has leaded the banking industry to adopt internet as a medium of operating in the urban as well as rural market. Internet banking provides different alternatives for faster delivery of banking services to a wider range of customers. Internet banking refers to the use of internet as a remote delivery channel for banking services. It means any user with a computer and a browser can get connected to his bank website to perform any of the banking function. India is predominantly an agricultural country and it's above 65 % of the population lives in the villages. Spread of E-delivery channels in those areas is very less till date because of difficulty in reaching technology and other infrastructure which supports and helps in carrying the technology to these area as well as lack of knowledge of the technology and internet operating training. The objective of this paper is to examine the illiteracy of rural areas bank customer and by designing the model how it will helpful to them while carrying the internet banking transactions and also it will helpful to banking sector to get a benefit from rural areas bank customers to explore a banking industry.*

**Keywords-** *Banking Industry, Internet banking, E-deliver, Remote delivery channel.*

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**E-Banking** is also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. You can use electronic funds transfer to:

- Have your paycheck deposited directly into your bank or credit union checking account.
- Withdraw money from your checking account from an ATM machine with a personal identification number (PIN), at your convenience, day or night.
- Instruct your bank or credit union to

- pay certain monthly bills from your account, such as your auto loan or your mortgage payment.
- Have the bank or credit union transfer funds each month from your checking account to your mutual fund account.
- Have your government social security benefits check or your tax refund deposited directly into your checking account.
- Buy groceries, gasoline and other purchases at the point-of sale, using a check card rather than cash, credit or a personal check.

### VARIOUS FORMS OF E-BANKING: INTERNET BANKING:

Internet banking lets you handle many banking transactions via your personal computer. For instance, you may use your computer to view your account balance, request transfers between accounts, and pay bills electronically. Internet banking system and method in which a personal computer is connected by a network service provider directly to a host computer system of a bank such that customer service requests can be processed automatically without need for intervention by customer service representatives. The system is capable of distinguishing between those customer service requests which are capable of automated fulfillment and those requests which require handling by a customer service representative. The

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system is integrated with the host computer system of the bank so that the remote banking customer can access other automated services of the bank. The method of the invention includes the steps of inputting a customer banking request from among a menu of banking requests at a remote personnel computer; transmitting the banking requests to a host computer over a network; receiving the request at the host computer; identifying the type of customer banking request received; automatic logging of the service request, comparing the received request to a stored table of request types, each of the request types having an attribute to indicate whether the request 4 E-BANKING type is capable of being fulfilled by a customer service representative or by an automated system; and, depending upon the attribute, directing the request either to a queue for handling by a customer service representative or to a queue for processing by an automated system.

### THE INDIAN RURAL EXPERIENCE

India is still in the early stages of E-banking growth and development. Competition and changes in technology and lifestyle in the last five years have changed the face of banking. The changes that have taken place impose on banks tough standards of competition and compliance. The issue here is – 'Where does India stand in the scheme of E-banking.' E-banking is likely to bring a host of opportunities as well as unprecedented risks to the fundamental nature of banking in India. The impact of E- Banking in India is not yet apparent. Many global research companies believe that E-banking adoption in India in the near future would be slow compared to other major Asian countries. Indian E-banking is still nascent, although it is fast becoming a strategic necessity for most commercial banks, as competition increases from private banks and non banking financial institutions. Despite the global economic challenges facing the IT software and services sector, the outlook for the Indian industry remains optimistic. The Reserve Bank of India has also set up a "Working Group on E-banking to examine different aspects of E-banking. The group focused on three major areas of E-banking i.e. (1) Technology and 31 E-BANKING Security issues (2) Legal issues and (3) Regulatory and Supervisory issues. RBI has accepted the guidelines of the group and they provide a good insight into the security requirements of E-banking. The importance of the impact of technology and information security cannot be doubted. Technological developments have been one of the key drivers of the global economy and represent an instrument that if exploited well can boost the efficiency and competitiveness of the banking sector. However, the rapid growth of the Internet has introduced a completely new level of security related problems. The problem here is that since the Internet is not a regulated technology and it is readily accessible to millions of people, there will always be people who want to use it to make illicit gains. The security issue can be addressed at three levels. The first is the security of customer information as it is sent from the customer's PC to the Web server. The second is the security of the environment in which the Internet banking server and customer information database reside. Third, security measures must be in place to prevent unauthorized users from attempting to log into the online banking section of the website. From a legal perspective, security procedure adopted by banks for authenticating users needs to be recognized by law as a substitute for signature. In India, the Information Technology Act, 2000, in section 3(2) provides for a particular technology (viz., the asymmetric crypto system and hash function) as a means of 32 E-BANKING authenticating electronic record. Any other method used by banks for authentication should be recognized as a source of legal risk. Regarding the regulatory and supervisory issues, only such banks which are licensed and supervised and have a physical presence in India will be permitted to offer E-banking products to residents of India. With institutions becoming more and more global and complex, the nature of risks in the international financial system has changed. The Regulators themselves who will now be paying much more attention to the qualitative aspects of risk management have

recognized this. Though the Indian Government has announced cyber laws, most corporate are not clear about them, and feel they are insufficient for the growth of E-commerce. Lack of consumer protection laws is another issue that needs to be tackled, if people have to feel more comfortable about transacting online. Taxation of E-commerce transaction has been one of the most debated issues that are yet to be resolved by India and most other countries. The explosive growth of e-commerce has led many executives to question how their companies can properly administer taxes on Internet sales. Without sales tax, online sellers get a price advantage over brick and mortar companies. While ecommerce has been causing loss of tax revenues to the Government, many politicians continue to insist that the Net must 33 E-BANKING remain tax-free to ensure continued growth, and that collecting sales taxes on Net commerce could restrict its expansion. A permanent ban on custom duties on electronic transmissions, international tax rules that are neutral, simple and certain and simplification of state and local sales taxes. The Central Board of Direct Taxes, which submitted its report in September 2001, recommended that e-commerce transaction should be taxed just like traditional commerce. Also RBI is about to become the first Government owned digital signature Certifying Authority (CA) in India. The move is expected to initiate the electronic transaction process in the rural banking sector and will have far reaching results in terms of cost and speed of transactions between government- owned banks. Thus efficiency, growth and the need to satisfy a growing tech survey consumer base are three clear rationales for implementing E-banking in rural India. The four forces-customers, technology, convergence and globalization have the most important effect on the Indian financial sector and these changes are forcing banks to redefine their business models and integrate technology into all aspect of operation.

### **Methodology**

The study is done on the rural customers of E-banking in Bhind region of Madhya Pradesh. The customers are those who are using the facilities of e-banking provided by different banks. Primary data was collected through a questionnaire consisting of multiple standard scales. The scales were already validated and reliable to measure the constructs selected for the study. Secondary data was used to prepare introduction and review of literature. Primary data are than analyzed using PASW software The result part carries the outcome of statistical data analysis. After that certain suggestions are made under the head managerial implications. In the end the conclusion part carries the limitations and the future scope of the study.

### **Hypothesis**

H1- There is no significant impact of on purchase intention towards basic facilities provided by the foreign banks available in rural areas of India.

H2- There is no significant difference in perceived quality between Indian and multinational banks operating in rural India.

H3- There is no significant difference in purchase intention between Indian and multinational banks operating in rural India.

### **Instrument**

The instrument is made of standard scales. Perceived quality is measured by scale given by Sweeney and Soutar (2001) & purchased intention is measured by purchased intention scale by Grace & O'Cass (2005).The instrument consists of 18 items along with four demographic variables.

### Sampling method-

The study is done on the customers of Bhind region of Madhya Pradesh, randomly selected. Data was collected through questionnaire using direct oral investigation method. 150 questionnaires were floated among the potential respondents. 120 Questionnaires came back within the due time in which 100 were correctly filled. The analysis is done based on 100 samples.

### Result and interpretations

Model		R	R Square		Adjusted R Square	Std. Error of the Estimate
1		.809 <sup>a</sup>	.655		.651	.53238
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.685	.154		4.454	.000
	Mean_PQ	.810	.067	.809	12.176	.000

The H1 is tested through Regression analysis. The results suggest that there is a significant impact of perceived quality on purchase intention amongst the banks operating in rural India also, the predictive variable explains a formidable 65.5% of variance of the dependent variable.

### Group Statistics

	Type	N	Mean	Std. Deviation	Std. Error Mean
iarget_mean	sole	11	2.5245	1.20149	.36226
	multiple	67	2.0723	.84688	.10346
mean_pi	sole	11	2.9818	1.18475	.35722
	multiple	67	2.3127	.83223	.10167

		t-test for Equality of Means		Sig (2 tailed)
		t	df	
iarget_mean	Equal variances assumed	1.542	76	.127
	Equal variances not assumed	1.200	11.686	.254
mean_pi	Equal variances assumed	2.320	76	.023
	Equal variances not assumed	1.802	11.674	.097

H2 and H3 are attended though t-test. The results suggest that there is a significant difference in the purchase intention between sole and multiple types of rural customers. Also it is observed that sole customers are more inclined to use the facilities of e-banking. Although, no significant difference is observed in case of perceived intention.

### **Managerial Implications**

During the study it has been observed very closely that some customers are interested to use E-banking If banks provide an assurance of safety and maintain their commitments .Further, it is seen that educate customers are more anxious to use e-banking as compare to less educated customers of rural area of Bhind region.

### **Limitations of the study**

In this study only Bhind region of Madhya Pradesh has been focused. It is required also to focus on some semi-urban part of that particular area.

### **Future Scope of the study**

In this study there is possibility of considering some more technical aspects of banking which may focus on awareness and spreading information on proper and complete use of e-banking.

### **Reasons of unused internet banking at rural side**

- Lack of education • Missing E-banking awareness • No prior knowledge of computer and its peripherals • Fear to perform bank transaction on machine • Mentality to unchanged from manual activities • Unfaith on computer machine • economically unsound situation

**Conclusion-** From all of this, we have learnt that information technology has empowered customers and businesses with information needed to make better investment decisions. At the same time, technology is allowing banks to offer new products, operate more efficiently, raise productivity, expand geographically and compete globally. A more efficient, productive banking industry is providing services of greater quality and value. E-banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. No country today has a choice whether to implement E-banking or not given the global and competitive nature of the economy. The invasion of banking by technology has created an information age and commoditization of banking services. Banks have come to realize that survival in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure. The rise of E-banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. 68 E-BANKING Without any doubt, the international scope of E-banking provides new growth perspectives and Internet business is a catalyst for new technologies and new business processes. With rapid advances in telecommunication systems and digital technology, E-banking has become a strategic weapon for banks to remain profitable. Internet banking has evolved rapidly over the years with technological advances and increasing number of Internet users across various regions. It has developed as an effective distribution channel for banking products and services. It helps to attract customers, also do banking anywhere without opening branch. Various services provided and available anytime, anywhere which increased its popularity. The Efficiency of e-banking is fully dependent on how it is used by rural area bank customer the above emergent proposed model highly strive to rural area bank customer for using net banking for using net banking facility. It

optimizes the time and money of rural area bank customer as well as banking organization. In short, the above paper mainly focuses on emergent model which enable efficiency and productivity of rural area society people

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"Everyone has his or her own unique power. It is our responsibility  
to find that power and use it to the fullest capacity  
we can in the service of other people."

—TOAN LAM  
ENTREPRENEUR AND PODCAST HOST

## PROBLEMS OVER INSTITUTIONALIZATION OF THE EMPLOYMENT ASSISTANCE PROCESS

ISMAILOV AZIZBEK RUZIMAXAMMATOVICH<sup>1</sup>

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### ABSTRACT

*Article has analyzed the issues by state regulation of the labor market supply and demand for labor resources in the process of formation of the state of equilibrium between the rational and efficient use of human capital. This balance is the essence of a chaotic development, and will be reflected in the labor market.*

**Keywords :** *adaptation, unemployment, public employment services, labor market regulation, strategy, management, entertainment with employment agencies.*

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### Introduction

Social dimension of economic reforms in Uzbekistan to promote employment of the population raises the need for a detailed study of issues related to institutionalize the process. The validity of the labor market in this part of the institutional trust in social work - main direction of development to achieve a new quality of relations. In this connection, the social and labor market mechanisms and public relations to promote employment rate of the population in different regions of the issue as a key factor in influencing the shape of the Institute occur (Abdulkarimov B.A, 2013).

From 1991, full-scale labor market in the Republic of Uzbekistan in transition to a market economy began to form from the beginning of the economic reform. The new market environment, labor relations, set to come into existence in the first indicator of unemployment, which is determined by the features of the reforms to be carried out (Ajwad et al., 2014; Akimov & Dollery, 2009).

At the present time, the laws of supply and demand and the Soviet labor relations subordinate to the addition of a new market segment of the labor market relations as a transition to identified accident occurred (Anderson, Pomfret, & Usseinova, 2004).

The formation of the institutional environment for a long period, this time issued and executed one of the institutions in a process of monitoring a change in name and in many respects the social and labor relations condition an opportunity to explain the process of labor market functioning (Djanibekov & others, 2008; Malyi et al., 2015).

Changes in the quality of the institutional environment affect the development of the labor market. The institutional changes in the conditions of economic development, the environment at a high level stage of the industry to promote employment of the population in order to create optimal Institute was established in the need for detailed analysis of the social and labor relations (Gürgen, 1999; Lin, Cai, & Li, 2003).

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Employment Assistance institutional features of the process to shape the directions of the development of the national economy and its social, economic, political and other elements of the system is determined by the level of bilateral relations and conforming (Ghatak, 2003).

Employment Assistance institutional process, the issue of novelty and complexity of the economic situation in front of the fan and its possible scenarios for the development of a deep and comprehensive theoretical and methodical task to explain. In this connection, the balance of the interests of labor relations - fights, ensuring social protection of labor rights of workers, to promote the effective employment of the population the task of creating an integrated system of economic and legal mechanisms (Abdulkarimov B.A, 2013; Djanibekov & others, 2008).

### **Theoretical background**

Changing economic conditions, labor and flexible forms of employment. As a result, a new concept in global health is reflected in the concept of employment pronunciation of the new approach to employment, which are formed. Low to solve the problems of development in the conditions of employment Restoration Work in spite of the size of the working-age persons with me'yorlashtiriladigan and set universal minimum income all economic and social activity and extended involvement in the process is seen as a major feature (Calhoun, 2013; Djanibekov, Hornidge, & Ul-Hassan, 2012).

Increase efficiency and speed up structural reforms in the employment areas of employment and the main objective of the strengthen the regulation of the methods of state and local bodies. Moreover, executive power in the formation process of the interaction of economic, administrative, organizational, legal and other measures to establish a set of rational regulation by the state of the labor market at all.

Separate the layers and categories of workers of state practice to support the development of labor relations in order to mitigate the negative effects of yakkalashtirish target will require the development and implementation of social programs. The government blocked the social guarantees for workers of all categories of workers, regardless of their permanent or temporary employment is of a range of values can be eliminated through the installation. All cases of flexible forms of employment should be controlled, otherwise the growth of social instability and government are faced with the need to increase social payments (Ames, Brown, Devarajan, Izquierdo, & others, 2001).

Employment policies based on the country's economy should be based on sustainable economic growth set out by rate. This situation should be engaged the management and the labor market regulatory mechanisms need to be replaced. Because if you stop employment policy and unemployment were not permitted to stay in the center of attention, then the field of employment and the labor market can be expected in the major one. Thus, employment in the field of public policy to be effective, it is to be coordinated and gradually clear the purpose of man directed.

In this regard, the "Organization for Economic Cooperation and Development" and the "European Union", stressed the need for an integrated approach that unemployment benefits provide facilities and job search facilities, to promote the activities and entertainment. Fully integrated into the institutional some cases can not be ideal, but in practice the decision(Anderson et al., 2004).

Employment Assistance institutsionallashtirishga state's labor market, the process of direct and indirect means to conceal the desirability of a set of measures to be considered in terms of the opportunity to select a shooting. A direct impact on the labor market and social security, labor relations bee on the state of legislation on the rights settings. Indirect measures of regulation of the labor market at the same time is also

a measure of economic regulation and the impact on the economic situation in the country affected the dynamics of employment. In this regard, the state regulation of the labor market, economic, administrative, organizational, legal and other measures as are studied.

Employment regulation methods in the process of formation of the state and regional bodies of executive authority, to investigate the effect of regulatory mechanisms should note the importance of a balanced development of the system. This is not just a short-term (operational), but in the medium and long-term tasks to solve ng sh elements of his government, providing both network and regional levels would be effective enough.

### **Public employment service in Uzbekistan**

The conditions of instability of the world economy, the need for effective use of the potential of the public employment service (DBX) is born. DBX to organize effective political level between the work of DBX and its stakeholders related to bilateral relations and issues of accountability. Strategic and operational planning purposes, so they usually plan based on the work of DBX to ensure effective measures should be included (Ajwad et al., 2014; McKinley & Karwowski, 2015).

Decentralization of authority and responsibility is one of the modern DBX case possible. DBX The second major organizational problem is that the labor market integration services to ensure the effectiveness of the programs. At the same time the need to improve the efficiency of the public sector, based on the number of cases submitted to the DBX competitive with Nokia.

DBX to apply management strategies for the optimization of key areas, namely b oshqarish, the quality of information and communication technologies (ICT), launched as part of the development of efficient planning and management of staff (Nazarova, Saidkarimova, & Obloqulova, 2015).

DBX to manage the quality of the customer (usually designed to meet the needs of not only the unemployed) administrative uplifts the organizational principles and practice of strategically oriented integrated set of characteristics. The purpose of the management of the client's satisfaction, the quality of work that is necessary to be able to achieve.

Quality management, customer needs analysis and evaluation, and analysis of customer interactions and ensure the monitoring of the structure and maintain it at a high service includes the development of standards. DBX quality management process should be directed to the customer. Thus, DBX planning and customer service focus of the organization should be carried out simultaneously (BAKHTISHODOVICH et al., 2015; Tursunova, 2011).

At present, the work of the ICT is considered by DBX updates on the work of the organization's information and communication tools used work methods and the use of customer information directly to changes in the method of the transfer. Introduction of new technologies offers many advantages, but major changes in the organization during stress conditions Satellite him. Their lowest position and to assure the success, careful planning and in-depth analysis is necessary to attract highly qualified personnel. Thus, in the news ensure success.

DBX effective planning and management of activities for the development of its employees play an important role in ensuring the effective operation. The professional training of the staff and their attitude is of particular importance. The staff was professional orientation and the need to carry out educational work with them, especially because of the changes taking place in the high rates of increase.

DBX to the principles of quality management with customer-oriented services. This, in turn, a number of internal management processes of reform, a niqrog'i is continuously improved methods of management, staff training, positive relationship between the use of ICT, modern management methods and resources in the standard of development as whole (Corsi & Akhunov, 2000; Kechagia & Metaxas, 2016).

DBX occur, employers and workers organizations in most cases the importance of a close relationship with the DBX reflected in the structure of the upper body. DBX - as a self-sufficient organization studied and often-monopolistic situation in the labor market. The DBX - not only as a self-sufficient organization, but especially her unemployment benefits in connection with the appointment of non-public examination of the role of employment, self-complementary organizations have always tried to be.

DBX's relations with the social partners, which is more effective is the fact that the value of compromise, because it is hard to choose largely depends on the relationship between traditional and emerging. However, the social partners are closely corresponds to the interests of the development of bilateral relations and DBX. DBX - one of the main objectives of the unemployed to the labor market and implementing programs to adapt. However, this feature of the software changes. Previously, the government services provided by a very narrow target group, for the current period had a number of programs aimed at solving problems related to the mutual belongs to a wide range of applications. It is not only the availability of a connection, but unemployment allowances, accommodation, environmental protection, such as drug use, crime, education, health care and social alohidashuv and the problems associated with poverty. DBX alone cannot solve these problems, because of not only the employment service, employers and trade unions, but also the participation of various institutional structures are required.

In this context, the main objectives of this mechanism is to determine the criteria for evaluating the validity and acceptability. DBX optimization of the organization's many functional mechanism of interaction as an opportunity to systematize the study. The provisions of this opportunity to show some of the systemic approach, where the system of targets and structural interaction.

You can learn the system as any set of events, the other by the systems is not always clear to others. DBX to optimize the way in this system to make sure that each of the functional elements and indicators to clarify and expand.

Thus, in accordance with the objectives of the DBX squad should be a reasonable choice of system elements. The system components, elements, external and internal borders of research carried out by individuals or groups of positions and always will be directly related to the purpose of the analysis. The collection system and access to important elements of the process of reforms and noted that selection criteria should be.

DBX to set the mechanism in the process of streamlining the organization functions well. The issues associated with tasks that require DBX formed to assess the acceptability of the validity of methodological support.

## **Conclusion**

In general, new types of services and the current challenges facing the workers, a change in style and the constant pursuit of efficiency and quality of services To assess the level of support to institutionalize the process of employment should be the main criterion. That is, the ratio of operating resources and real results DBX final criterion of success. DBX well-established goals and objectives necessary to achieve their high performance, but should be assessed on the basis of potential indicators.

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## THE SAGA: MIGRANT KASHMIRI PUNDITS

Anshu Lamba<sup>1</sup>, Rumki Bandyopadhyay<sup>2</sup>

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### ABSTRACT

*'The danger lies in forgetting what we had. The flow between generations becomes a trickle, grandchildren tape-recording grandparents' memories on special occasions perhaps-no casual storytelling jogged by daily life, there being no shared daily life what with migrations, exiles, diasporas, rending, the search for work. Or there is a shared daily life riddled with holes of silence.'* --- Adrienne Rich

*'Home is the place where, when you have to go there, they have to take you in.'* --- Robert Frost

*In this study, the author aspires to vindicate the emotions of Kashmiri Pundits living in exile. The author made an attempt to understand the responsibility of the Government, conflicts and History of Kashmir, how Kashmir being a Hindu state by its origin, turned into a Muslim Majority state which forced the Hindus to escape Kashmir. The author tried the best to outline the struggles faced by Kashmiri Pundits.*

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### Introduction

“MERA WOH KASHMIR LAUTA DO”

Kashmir placed like the koh-e-noor on the Crown of India, a multi-faceted gem changing its shades with the seasons. It has been the 'Paradise on Earth' with lush green mountains and beautiful lakes, where snow carpets the bounties in winters. Exclaimed by Jehangir, one of the Mughal emperors, “If there is Paradise anywhere on Earth, it is here, it is here, it is here”. This home of Gods has never been able to live a calm or tranquil life. Conflicts and disputes have been very common in the lives of Kashmiri Pundits. Thus, resulting in the Exodus for six times during these unfurling of History, which led to the conversion, murders, rapes and migration of a Hindu minority known as Kashmiri Pundits to different states in India and to different parts in the world.

"Exile is a dream of a glorious return. Exile is a vision of revolution: Elba, not St Helena. It is an endless paradox: looking forward by always looking back. - Salman Rushdie

Migration has always come to picture where people by force have moved to different places by leaving their native land behind. De donde eres? Or Where are you from?. It is one basic question we ask others when we meet them for first time. It simply means that we are interested in knowing the ethnicity of that individual. It is very normal for us to ask this question but it is not easy to answer for a person who can no longer associate oneself with one's homeland. This insoluble problem is faced by those who have been away from their native lands for a long time. It is not only about their properties or houses, it is about a huge part of their lives they've lived there, their practices their cultures, traditions and these things together make their Identities. It is their Identity that they leave behind. Most of the communities in the world have felt the loss of their native places, the loss of their names, identities and their whole existence. There is one such community in India, which has faced the Exodus for seven times till now, and have become displaced in

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their own country. They are called Kashmiri Pundits. How does it feel when people who have migrated to other places for the purpose of Jobs and work, can return back to their native places whenever they want? How does it feel when they live the old days again, when they meet their old friends and neighbors? It is the freedom they are living, which enables them to return to their homelands and sense the belongingness. On the other hand, the community of Kashmiri Pundits can visit the whole world but not to their homeland. Who can live wherever they want but their own land, because settling in their own Kashmir valley is like a dream they can never live again. Now, how does it feel to have left your birthplace forcefully and never being able to return back?

### **Kashmir before Independence; Hindu and Muslim Conflicts**

As the stories tell, that long back Kashmir was uninhabitable for the human beings because most of the parts were engulfed under water. King Neel was then ruler. A demon named Jalodbhav had created havoc in the whole valley and he was immortal in the waters due to the aid from Lord Brahma. Eventually, Jalodbhav was killed by Lord Vishnu after drying up of the lake with the help of Lord Balram. It was named Kashmir after the name of reverend Kashyap Rishi who brought the gods to earth. This story concludes the origin of Kashmir as a Hindu state. Kashmir valley remained safe for the Hindus until the periphery of the 14th century. By the dawn of the 14th century, Islam was slowly oozing into the society and there was no trepidation about the presence of the Muslims. As Kashmir flourished under the reign of Hindu rulers. In the end of 14th century, this teaching was losing value. Sultan Sikandar became the king of Kashmir and became tyrant towards Kashmiri Pundits or Hindus. He destroyed all the symbols of Hinduism, the religious texts and temples. He murdered endless numbers of Kashmiri Pundits. They were tortured to such extremes that the Pundits even stopped calling themselves Pundits to be spared of the sword. "Na bhatto aham, Na bhatto aham!" Meaning - I am not a Pundit, I am not a Pundit!

During this time, the mosques were built, Muslim scholars moved to Kashmir in large numbers and Islam gained authority. After Sultan, Zain-ul-Abidin took over in 1420 AD; he gave a relatively calm period to Hindus but till that time just a few Pandit families were left in Kashmir, the rest were converted or escaped Kashmir. Hindus remained with peace for a while until the Chaks came into power, they belonged to Shia sect of Muslims and were dogmatic towards Hindus and Sunni sect of Muslims.

Kashmir saw its beautiful days and glory during the reign of The Mughal emperor Akbar in 1589. It all vanished until Aurangzeb came into form in 1658 they were so brutal that Kashmir Pundits had to approach the ninth Sikh Guru, Tegh Bahadur, in Punjab for their redemption. Guru Tegh Bahadur sacrificed himself and challenged Aurangzeb that if he could convert him into Islam, all Pundits in the valley will accept Islam. The Mughal constantly failed in converting Guru Tegh Bahadur but this resulted into his merciless killing. Ultimately, the Pundits were saved. Misfortune has always cast it's shades upon the valley, as Kashmir slipped into the hands of Afghans after the Mughals for almost seven decades.

It was his practice to tie up the Pundits, two and two, in grass sacks and sink them in the Dal lake. As an amusement, a pitcher filled with ordure would be placed on a Pundits head and Musalmans would pelt the pitcher with stones till it broke, the unfortunate Hindu being blinded with filth. During this crisis, there were mass conversions. The Afghans would surround the Pundits with naked swords and ask them to convert and those who did not accept Islam would be killed immediately and the rest forced to convert would be fed with calf's meat snapping away their sacred thread. Then ruled sikhs and later, Dogra rulers who bought Kashmir from the British colonialists. The last Dogra King, Maharaja Hari singh signed the Accession to

India in 1947, fearing the Pakistani Army invading Kashmir. Since then Kashmir became an inseparable yet disputed part of India.

### **Scenario: Since Exodus till Date**

Whatever was happening in Kashmir was not just happening in the spur of moment. This war had been taking a giant shape since 14th century when the Muslims started emerging and troubling Kashmiri Hindus. It has been a war against the Kashmiri Pundits an absolute attack on their faith. It did not happen in one or two days. In October 14, 1989, the Kashmiris observed the unusual and terrifying slogans that had forced Hindus to leave Kashmir and save their lives. Thousands of Mujahideen came out in the streets and mosques broadcasted death threatening messages. "Assi gacchi panu'nuy Pakistan, baatav rostuy, batenein saan." meaning: we'll turn Kashmir into Pakistan, without the Pandit men, but with their women. Thus began the Exodus of Kashmiri Pundits from the valley displacing the Pundits from Jammu to Johannesburg.

When situations were being out of control Farooq Abdullah, who then led the state government, had resigned and the law and order fell out of place, it was obvious that a single man could not change everything alone. While searching for the proofs regarding the government role in the issue, I came across many facts, events and a letter that unfurls the truth about the then Government.

On the day after 19 January 1990, Jagmohan was sent by the central government as the governor and governor's rule was imposed in Kashmir on 20th January 1990. Several Muslims tried to appeal on the television through Jagmohan, to ask the Kashmiri Pundits not to flee Kashmir. In lieu, Jagmohan appealed the Hindus to flee Kashmir as soon as possible and take refuge in camps set in the outskirts because he knew that the security of Kashmiri Pundits could not be guaranteed. The reasons for his mistrust in the government and his appeal to Kashmiri Pundits to leave the valley can be highly appreciated after we come across the excerpts listed out of the letter he had written to then Prime Minister Rajiv Gandhi. The author is narrating down the major parts of the letter written by Jagmohan addressing Mr. Rajiv Gandhi, which dated April 21, 1990. In which Jagmohan writes about the warning signals he had sent to Mr. Rajiv Gandhi, who remained carefree to even discuss the matter. "Need I remind you that from the beginning of 1988, I had started sending "Warning Signals" to you about the gathering storm in Kashmir? But you and the power wielders around you had neither the time, nor the inclination, nor the vision, to see these signals. They were so clear, so pointed, that to ignore them was to commit sins of true historical proportions." - ( an excerpt from the letter written by Jagmohan to Mr. Rajiv Gandhi)

"In regard to the conditions prevailing before and after my arrival on the scene, you and your collaborators have been perverting reality. The truth is that before the imposition of Governor's rule on January 19, 1990, there was a total mental surrender. Even prior to the day (December 8, 1989) of Dr. Rubaiye Sayeed's kidnapping, when the eagle of terrorism swooped the state with full fury, 1600 violent incidents, including 351 bomb blasts had taken place in eleven months. Then between January 1 and January 19, 1990, there were as many as 319 violent acts - 21 armed attacks, 114 bomb blasts, 112 arsons, and 72 incidents of mob violence" - (by Jagmohan). These excerpts mark out that even the officials were reluctant to act against these terrible situations, and the central government was sound asleep.

He further writes about the reality of the intentions of the Government officials or of Mr. Rajiv Gandhi himself. "You, perhaps, never cared to know that all the components of the power structure had been virtually taken over by the subversives. For example, when Shabir Ahmed Shah was arrested in September 1989, on the Intelligence Bureau's tip- off, Srinagar Deputy Commissioner flatly refused to sign the warrant

of detention. Anantnag Deputy Commissioner adopted the same attitude. The Advocate-General did not appear before the Court to represent the state case. He tried to pass on the responsibility to the Additional Advocate General and the Government council. They, too, did not appear". -( an excerpt from the letter written by Jagmohan to Mr. Rajiv Gandhi). All these statements made in the letter stands as evidence against the incredibility of the then Government. It exposes the failure and laxity of the state as well as Central government. This letter suggests the misfortune of our Country, which had leaders like Dr Farooq and Rajiv Gandhi who remained so forgetful of their duties towards their own country, and it's citizens.

When Mujahideen supported by the Pakistan army invaded Kashmir, Maharaja signed the Accession of Kashmir to India, but it got delayed because of the personal grudges with Maharaja and close relations with Sheikh Abdullah. To Kashmir's rescue, Sardar Patel intervened and accession was done quickly. But on Nehru's inclination Maharaja had to appoint Sheikh Abdullah as the Prime Minister of Kashmir, against his will and had to leave Kashmir.

Soon the ill- intentions of Sheikh Abdullah became evident. He never really wanted to see Kashmir acceded or United with India. He wanted to have his own rule over Kashmir. In 1948, he made his pact with India by standing beside to Jawaharlal Nehru and recited a Persian couplet:

'Mann tu shudi, tu mann shudi, Ta kas na goyed, Man degram tu degri.'

Meaning- I became you and you became me, so nobody can think of us as separate.

Very soon he forgot this pact and turned hostile towards Pundits. He ordered the Kashmiri Pundits to: Raliv, Chaliv, ya Galiv.' meaning- Be one among us, flee, or be decimated.

This story reveals the weakness of the then Central Government, and wrong judgement on the part of Jawaharlal Nehru, slipping Kashmir into the hands of a Communal and tyrant Prime Minister. He kept the tensions alive between Hindus and Muslims. Sheikh Abdullah was later arrested for conspiring against India. Case started against him in 1958 and after waiting for 6 years for the judgement, Nehru withdrew the case in April, 1964. He got released and visited Pakistan. The suppressed anti-national feelings and sense of hatred for another communities led to the Exodus. Hence, the failure of Political control over the situation and wrong decision making, led the Kashmiri Pundits to where they are today.

### **Present Scenario**

Since the exodus, Kashmiri Pundits have been waiting for their return to the valley, to their ancestral homes, with dignity and security. After 26 years of Exile, BJP is the first Government that mentioned the return and rehabilitation of Kashmiri Migrants to the valley in its manifesto in 2014. These are the efforts of a reverend bollywood actor Mr. Anupam Kher, who took the initiative to discuss the current agony faced by the Kashmiri Pundits and who made efforts to make every Indian stand for the rights of a Kashmiri Migrant.

The General Secretary of All India Kashmiri Samaj ( AIKS) Romesh Raina while welcoming the step of the Current Modi Government said finally the serious issue of displacement of Kashmiri Pundits has got its rightful place in the mainstream politics of the country.

For past 26 years, Pakistan have been supporting the separatists ( Algawadis) to create possible nuisance and tensions in Kashmir. They are not less than terrorists. Sources have the proofs of Pakistan sending over 100 crores to Kashmir through Hawala every year. Algawadi and Atankwadi, they speak a common language, their motto is one. They have been spreading WAHABISM in the air of Kashmir, it is a new trick of creating terrorism in Kashmir and in India. The mosques and madarsa being built in an increased numbers, where Islam sees mosque as a holy place to remember and praise Allah, On the other

hand, these Wahabis and Mujahideen are using the mosques and madarsa to persuade the young minds to turn them against India and against the idea of Hindus and Muslims living together as one unit.

Disturbing Slogans are being used by them in Kashmir, living in the Indian territory, they have no respect for their own motherland.

The slogans being :

"Tera Mera kya hai naam?

Pakistan Pakistan."

"Teri Jaan Meri Jaan

Pakistan Pakistan."

The BJP Government has taken some serious steps in these recent days, they have discontinued the funding of the separatists and even the other countries are warned against funding the Alkawadis. The passports of the separatists could be sealed, Bank accounts being on check and all kinds of facilities provided to them have been withdrawn. Which leaves them helpless in creating anymore tensions in Kashmir. They eat from India and wish for Pakistan. But to their dismay, now the BSF and Army are free to kick them out, they have a free authority to wash the dirty elements out of Kashmir without needing any higher authority's permission. Numbers of Jobs have been given to the Kashmiri Pundits. Final verdict of the Government being to erode the terrorism completely out of Kashmir, simultaneously the Pundits will be settled and rehabilitated in the valley again as the Home Minister Raj Nath Singh has written a letter to the former Chief Minister of Kashmir Mr. Umar Abdullah and suggested to find out a suitable place to resettle the Kashmiri Migrants in the valley. Also, he suggested the place to be safe and secured considering the security of Kashmiris as their priority.

For the present study, the author had a thorough understanding on the concerns through the book called 'Our Moon Has Blood Clots' by Rahul Pandita. Followed by the essays based on Kashmir, through multiple news articles and narratives on television channels websites listed in the work cited. Also, searched and included the excerpts from the archives and letters written to the Indian Government.

### **Concluding Remarks**

'The Greatest disease is to be nobody to anybody.' ---- Mother Teresa

Similarly, the Kashmiri Pundits have become nobody to most of the people. This is the worst form of pain a person can ever go through. Leaving one's own homeland is never painless be it permanent or temporary. And, Kashmir Pundits, they had no idea that their beautiful Kashmir valley would be lost forever, that they will never be able to return to their ancestral land.

The younger generation of Kashmiri Pundits is losing their love and emotions for Kashmir valley. The Pundits born after the Exodus or during Exodus have no idea of what fortune it was to live in Kashmir. They know Kashmir just through the stories they've heard from their elders. Even the stories or the memories will get eroded as few more generations remain away from their native land. The younger are not very particular about saving their Identities as Kashmiri Pundits because they have never experienced the life in Kashmir back then. They don't see a point in going back to the valley because they don't find any future over there. It is only the older generation who is pining for their own Old Kashmir. Yet to say, the identity of Kashmiri Pundits needs to be saved. Their cultures their traditions, different rituals their language, needs to be saved. These Migrants have lost their everything except their memories. Since, very little has been done for them. Now let us all try to help them in regaining their Identity and home back. Let's turn Kashmir back to Sufi from Salafi. Let's hope and work for their revival. Lets revive what died many years ago 'KASHMIRIYAT.'

## ENHANCEMENT OF NORMATIVE-LEGAL BASE FOR DEVELOPMENT OF TOURISM SPHERE IN THE REGIONS

Kim Tatyana Valerevna<sup>1</sup>, Mirzo Ulugbek<sup>2</sup>

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### ABSTRACT

*This article investigates the essence and significance of the tourism industry in Uzbekistan. Moreover, measures and reforms over the tourist infrastructure of Uzbekistan have analyzed at all. On this way, enhancement of normative-legal base for development of tourism sphere in the regions were offered as a major feature of deployment. In conclusion, major features of tourism with its status quo have demonstrated with both outcomes and shortcomings as whole.*

**Keywords :** *state regulation, regulatory framework, tourist services, tourist activities, region, information support.*

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### INTRODUCTION

Tourism is one of the leading and most dynamic industries of the world economy. For rapid growth rates it is recognized as an economic phenomenon of century (Akhoondnejad, 2016).

In many countries of the world tourism plays a significant role in forming of gross domestic product, creation of additional workplaces and employment of population, and also for activization of positive tourist balance in a paying balance of the country. Also the fact that tourism is fundamental basis of the economy in many developed and developing countries of the world [2] doesn't raise doubts.

It is known that, tourism industry since 2000 wins the first place in world export of commodity and services, having left behind the automotive, chemical, food, electronic industry (Alegre & Garau, 2010).

In 2016, every tenth job was recorded in the tourism industry. At the same time, the tourism and recreation sector grew by 3.3% last year. The industry has been growing for six consecutive years. These data are presented in the next economic study of the World Council for Tourism and Travel (WTTC), which analyzed the impact of tourism industry on employment for the example of 185 countries from 25 regions. The share of tourism in 2016 accounted for \$ 7.6 trillion, or 10.2% of the world's GDP. At the same time, the direct and indirect impact of the industry on other sectors of the economy and employment was taken into account. In the hospitality industry, 292 million employees were employed, that is, every tenth employee in 2016 was engaged in tourism ('EHL/UNWTO Silk Road Strategy Initiative | UNWTO Silk Road Programme', 2016.).

In addition, at the expense of foreign tourists in other countries, tourism accounted for 6.6% of global exports. According to the WTTC forecast, the world hospitality industry will grow by 3.8% in 2017, reaching a total of \$ 7.9 trillion. The average annual growth for the next 10 years is expected to be 3.9%. By 2027, the tourism industry will account for more than 11% of world GDP, and the number of people working in it will

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reach 380 million people. A quarter of jobs that will appear in the next 10 years on the world labor market will be created in tourism ('UNWTO Annual Report 2013', 2014).

In our country, a great attention is paid to enhancement of tourism industry. Expansion of service trade is defined as one of the most important priorities of social and economic development of the country. In Uzbekistan there are all prerequisites in order that tourism sphere became one of important components of a social and economic complex which won't yield to foreign countries and makes a large contribution to creation of new workplaces, growth in prosperity of population, growth of currency and tax revenues.

In this regard Uzbekistan pays a special attention of upgrade of tourist industry, to development and enhancement of a regulatory framework for sustainable development of the industry, organization of servicing for foreign guests as per to international standards.

From the first years of independence, there were undertaken reforms for forming and development of tourist infrastructure according to requirements of the period.

Today's time reflect positive results, namely our country made considerable break in this area with preserving and multiplication of historical and cultural heritage of people, revival of national traditions and customs, recovery and arrangement of sights of the Republic.

For the purpose of creating a modern highly effective and competitive tourist complex in the republic there has been formed a strong regulatory framework which basis is a Law of the Republic of Uzbekistan "About tourism", adopted under No. 830-I on August 20, 1999. There act programs of address actions for enhancement of tourist infrastructure, including attraction of investment, diversification of tourist products, activization of actions of informative and fact-finding nature, preparation and advanced training of specialists of the sphere [8].

Creation in 1992 of Uzbekturizm National Company by decree of the President of the Republic of Uzbekistan - Islam Karimov became an important step in forming of national model of tourism. From that time the structure coordinates activities of industry organizations, and it is engaged in preparation of corresponding personnel, promotes inflow of internal and external investments into creation of new and expansion of existing material and technical resources, stimulates development of all types of tourism, actively participates in foreign actions, organizes large international forums ('National Company "UzbekTourism"', 2014).

A result of actions undertaken in this direction is increase of tourists arriving to our wonderful country. So, annually over 2 million people from different corners of the world visit Uzbekistan. Geography of foreign guests is wide. Our country enjoys special popularity at citizens of Germany, France, Italy, the Republic of Korea, Japan, the People's Republic of China, Malaysia, Russia, India.

### **Theoretical Background**

Theoretical bases of legal regulation of sphere of tourism need to be identified while establishing better developments as whole. On this way, the normative and legal norms are of great importance in the development of the tourist sphere and are aimed at the implementation of the rights and duties of the subjects of tourist activity (BAKHTISHODOVICH et al., 2015).

The protection of the interests of consumers of the tourist product, ensuring security in tourism, improving the quality and competitiveness of tourist products, strengthening the economic responsibility of tourism entities.

Due to the regulatory and legal framework, the stability and sustainability of the tourism industry is provided and the investment attractiveness of the tourist business are increased, the problems of classification and standardization in the tourist industry are being addressed. Improvement of legal norms will be major fundamental feature of development as whole.

From the first years of independence, Uzbekistan actively increases cooperation with international organizations, regularly takes an initiative in deepening the cooperation in this perspective direction (Akimov & Dollery, 2006).

An entry of the republic in 1993 in the World tourist Organization UN (UNWTO) was an important step of national tourism. Within the cooperation with it in 1994, there was adopted Samarkand declaration on tourism along Silk Road by 19 countries of the world. In 1999, there was adopted Khiva declaration on tourism and preserving cultural heritage supported by UNWTO, UNESCO and European Council. In 2002 there was adopted Bukhara declaration on tourism along Silk Road, underlining benefits of stable tourism and determines specific steps by stimulation of cultural and ecological tourism on this direction.

In October 2011, on General Assembly of UNWTO in South Korea, Uzbekistan for the second time was elected as a member of Executive Council of the World Tourist Organization of UN what is conferred only to few countries. Within membership of Uzbekistan in this organization and for the purpose of promoting of cultural and historical heritage of our country on international scene, and also for development of tourism industry there was accepted a decision on carrying out the 99th session of Executive Council of UNWTO in Samarkand in October, 2014.

Significant role in ensuring an accelerated development of tourist sector of Uzbekistan, forming and maintenance of the country image in the world market is played by large events, regularly held in the republic. One of the major annual events is Tashkent international tourist fair "Tourism on Silk Road". Its organizers are Uzbekturizm National company and Great Silk Road advertizing agency with assistance of the World tourist Organization UN (UNWTO). The fair is held for the purpose of promoting national cultural heritage of Uzbekistan abroad, attraction of bigger number of foreign tourists to our country and assistance to development of internal tourism (David Airey & Myra Shackley, 1997).

Today it is – the largest forum in Central Asia, where meet professionals of industry, conducted negotiations in various formats, including implementation of program for buyers of a national tourist product, held conferences on topical issues of development of tourism industry in Uzbekistan and in the world in general [7].

On this way, Resolution of Cabinet council of the Republic of Uzbekistan on October 10, 2012 "About actions for further support and development of the tourism sphere" serves as a further support for tourism development and tourist infrastructure, active promotion of national tourist services on international tourist markets in the Republic of Uzbekistan.

## **Methodology**

Proceeding from abovementioned, representatives of our country regularly participate in international fairs and exhibitions held abroad in order to present the tourist capacity of the republic. Participation in them enables to be aware of recent trends of the world market of tourism, to sign business contracts, to develop a cooperation with foreign partners.

For promotion of national cultural heritage of Uzbekistan abroad, attraction of bigger number of foreign tourists to the republic, assistance to development of internal tourism in the country, according to order of

Cabinet council of the RUz under No. 552-F 16 , on August, 2012, there has been carried out a work on participation of tourist organizations of Uzbekistan in the large major international tourist exhibitions held in Madrid, Riga, Berlin, Moscow, Paris, Tokyo and London.

National Company Uzbekturizm is the chief coordinator of organization on participation of travel agencies of our country in such large international exhibitions and fairs with a single national stand "Uzbekistan". In its preparation, our partners are "UZBEKISTON HAVO YO'LLARI" and "UZBEKISTON TEMIR YO'LLARI". Participation in large international exhibitions will allow the tourist organizations of our country to establish new business contacts and mutually beneficial cooperation with foreign partners in tourism sphere.

Moreover, in acknowledgement of special place of the republic in the world tourist industry, in 2004 there was opened regional office of UNWTO on coordination of tourism development on Silk Road in Samarkand. It should be noted that such office exists only in two countries - in Japan and Uzbekistan. Its main function is designation of directions in development not only regional, but also international tourism.

The rich historical and cultural heritage, unique material and non-material cultural values, set of majestic architectural complexes, modern cities are an indisputable benefit of Uzbekistan in international tourist market. Cautious preservation of ancient monuments telling about rich past, modern constructions of Samarkand, Bukhara, Tashkent, Khiva, Shakhrisabz, Margilan acting regional centers of national workmanship in these regions promote development not only international, but also internal tourism [4].

Over 7 thousand objects of material cultural heritage of different eras and civilizations are witness about opportunities of our country, these monuments that are wealth not only our people, but also all humankind, including historic centers of Bukhara, Khiva, Samarkand and Shakhrisabz included in UNESCO list on objects of the world heritage. For last years under leadership of head of our state, there was conducted large-scale work on repair and reconstruction of complex Registan, Amir Temur's mausoleums, Rukhobod, monuments Shaxi Zinda, mosques Hazrat Hizr and Bibikhanum, Mirzo Ulugbek observatory. Around them there laid out fine gardens and pergolas. A special place among our cities with rich history and culture belongs to Samarkand. By right, this city is called by " Pearl of the East " since ancient times it was a center of science, trade and workmanship. Rich tourist opportunities of Samarkand in employment of population and strengthening of city economy are effectively used. Today there function about 200 travel companies and hotels as whole (Caliskan, Kutlu, & Kimiloglu, n.d.).

By efforts of a management of the republic tourist infrastructure is lifted to quite high level in recent years. In the country, particularly there successfully functioning 1176 tourist organizations, including 621 travel agencies, 555 hotels, a set of tourist bases and campings. Extensive network of hotels on more than 25 thousand places conform to modern international standards. Amount of entrance tourism makes about 2 million foreign tourists.

There is carried out large-scale work on advertizing of potential of internal tourism, further enhancement of activities of tourist bases, rest areas, boarding houses, sanatoria and resorts, ecotourism organizations in our country. According to Protocol of Cabinet council of the Republic of Uzbekistan under No. 14/1-299 on 19.09.2011, on all regions of the country there were approved programs of address actions for development of tourism sphere and increase in export potential of tourist services. Conducted analysis on results of a program implementation of address actions has confirmed importance of regional programs for development of tourism in regions, allowing them to determine priority tasks for ensuring sustainable development of

tourism sphere in the republic. Moreover, within development of development programs of tourism in regions there was given a special attention to attraction of foreign investments to tourist sphere.

### **State policy and structure in Uzbekistan**

On December 2, 2016, the decree of the President "On Measures to Ensure Accelerated Development of the Tourism Industry of the Republic of Uzbekistan" was signed decree on deployment as whole.

The document is aimed at ensuring the accelerated development of the tourism industry, making tourism a strategic economic sector, turning it into a powerful tool for sustainable growth of the country's economy, effective use of the tourist potential of the regions, and increasing the role of tourism in raising the level and quality of life of the population.

"Taking into account the dynamic growth of tourism, its tangible multiplier effect on other sectors of the economy, the growth of the well-being of the population and the need to take measures to protect the environment, the tourism industry should become one of the powerful tools for increasing the sustainability of the country's development," the draft concept notes.

According to the strategy of actions for the five priority development directions of Uzbekistan for 2017-2021, one of the main directions is the development and liberalization of the economy and the most important task in this direction is to enhance the competitiveness of the national economy by deepening structural transformations, modernizing and diversifying its leading sectors. For the tourism industry, the following tasks have been set: accelerated development of the tourism industry, enhancement of its role and contribution to the economy, diversification and improvement of the quality of tourist services, expansion of tourist infrastructure

On this way, large-scale changes in sector of tourism occurred in Khorezm region. In March, 2013 there was signed Resolution of the President of the Republic of Uzbekistan under No. PP-1940 "About development program of tourism sphere in Khorezm region for 2013-2015". Development program of tourism sphere includes a tourism infrastructure construction, enhancement of tourist routes and services of region with development of new directions, tourist products and services of the region, and also was provided attraction of foreign investments and grants in the amount of 15,4 million USD.

For restoration of historical and cultural monuments, construction of hotels, restaurants and objects of roadside infrastructure of servicing of tourists, creation trade and cultural entertainment centers, training and others. So, within this project in 2015- amount of tourist services increased by 4,9 times, export to 3,8 times, number of tourists by 1,7 times and number of places in hotels by 1,7 times in Khorezm region.

Specified program will serve as a main document in development of similar programs for other regions. Special programs for each region included specific actions for development of internal tourism in regions, areas, cities and villages. They consider internal opportunities and capacity of each region.

As a result, for example, in the Republic of Karakalpakstan, Navoiy, Jizzakh and Khorezm regions there were erected several modern campings, yurta camps, improving organizations, all opportunities for rendering various services to tourists. There is conducted active work on diversification of tourism directions, creation of new tours and programs offered foreign and local tourists: it is mountaineering, horsing and riding tours and walks, safari on camels, jeep safari, off - road - tours, fishing, geotourism, educational rounds.

In recent years new types of travel, including ecological tourism are actively implemented in Uzbekistan. Availability of reserves, national parks, nurseries, natural monuments, biosphere wildlife reserve in the republic - turns ecotourism into very perspective direction.

In addition, geo tourism, medical tourism, and also mountaineering and rafting were developed in our country. Rest areas and comfortable infrastructure facilities are under construction in the regions. For example, in Chimgan, Beldersay and Charvak fitness centers located in Tashkent region there were created necessary conditions for alpine skiing and other winter sports. On this way, were built mountain routes of different types from 300 to 3 thousand meters long. Vacationers can climb the ropeway by means of special elevator.

Gastronomic direction of tourism also gains popularity in Uzbekistan, which development allowed to make pilaf and other national dishes as a recognizable brand of the country.

For years of independence due to large-scale works on a construction and reconstruction of infrastructure, facilities 11 airports in Uzbekistan have received a status of international harbors. Modern comfortable planes of National airlines "UZBEKISTON HAVO YULLARI" consisting of line aircrafts of production Boeing and Airbus perform regular flights to over 40 cities of European, Asian, Middle Eastern and American countries. In 2016 - park of civil aviation of the country was replenished with two most up-to-date "airliners of dream" - Boeing Dreamliner.

Tourists visiting Uzbekistan have an opportunity to reach sights of the republic and by means of a railway transport. Therefore, in addition to regular and high-speed structures, between Tashkent, Samarkand, Karshi and Bukhara in daily manner there run a high-speed trains "AFROSIYAB" - production of Spanish company TALGO that considerably increased service quality of guests and reduced trip time. Besides, in June 2016, there was held an opening ceremony of electrified rail line "Angren-Pap" connecting picturesque Fergana Valley to other part of the country and became break in development of tourist-transport industry of Uzbekistan.

### **Enhancement of Normative-Legal Base For Development of Tourism Sphere In The Regions**

Modern dynamics of growth in tourist industry confirms a necessity to upgrade the system of preparation, retraining and advanced training of personnel for it, with account of existing realities and prospects. Creation of a number of educational institutions for training of qualified specialists in this sphere was promoted by decree of President of the country "About training of qualified personnel for tourism sphere in Uzbekistan" on June 30, 1999.

For this purpose, NC "UZBEKTURIZM" annually organizes a training of students, teachers and workers of tourism sphere in the largest tourist centers and educational institutions of Europe and Asia.

Within the measures undertaken on further optimization of tax matters of tourist entities of tourism activity, rendering hotel services, there is accepted a number of standard legal documents providing them privileges and preferences.

With Resolution of Cabinet council under No. 294 on 13.09.2016, commercial banks are recommended to issue loans to entrepreneurs and handicraftsmen on acquisition of objects constructed in the territory of historical area of Shakhrisabz for more effective use of these constructions. Loan term is 15 years, a loan interest rate may not exceed a refunding rate of Central Bank. It is recommended to apply the same interest rate to contract organizations and customers performing a construction, capital repairs and reconstruction of these objects (David Airey & Myra Shackley, 1997).

With resolution of Cabinet council of the Republic of Uzbekistan under No. 275 on August 24, 2016 "About measures for transition to international classification system of types of economic activity" there has been increased limiting standard rate of annual average number of employees of hotels and other means of

placement to 100 people, which shall inure from January 1, 2017. Thus, hotel economies and similar places of residence will be able to increase a number of employees, keeping at the same time - privileges, guarantees and rights provided by decree of the President under No. UP-4677 on 09.12.2014 for micro firms and small enterprises.

## Conclusion

For sustainable development of the country, special attention is paid to the development and improvement of the regulatory framework, which is the main foundation in the modernization of the tourism industry. With the acquisition of independence, reforms were carried out in our country to further develop the tourist infrastructure and we are now seeing positive results.

A legislative base has been created for the development of this sector of the economy. On August 20, 1999, the law "On Tourism" was adopted, which specifies the rights and responsibilities of tourism entities, the Uzbek tourism was created and many different regulatory and legal documents regulating tourism in the Republic of Uzbekistan were adopted.

Thanks to the increased attention to the development of the tourism industry, a great deal of work has been done to build new modern buildings and to restore historical sights, namely the historical and cultural heritage and the revival of the national traditions and customs of our people.

Unique material and intangible cultural values, a huge number of architectural ensembles, the oldest monuments, increasingly attract foreign tourists. All this testifies to the rich history of our country. According to the legislation of the Republic of Uzbekistan, new tours are being created, such as mountaineering, horse riding tours and walks, camel safaris, jeep safaris, off-road tours, fishing, geo tourism, educational tourism, eco-tourism, gastronomic tourism and other types Tourism.

In our opinion, creation of organizational, economic and legal environment for development of tourist region as important means of increase in level of living and increase in income arriving into government budget, forming of a regulatory framework for development of tourist communications in regions now requires working out of the following directions:

- increase investments into human capital;
- preserving natural and cultural resources of regions for their use both now, and in the future;
- problem resolution of address social tourism, its availability to lower-income strata;
- stimulation of entrance and internal tourism;
- creation of efficient information network, as determining factor in development of general political line and strategy of development of tourism in regions;
- ensuring complementarity for numerous elements of sector of tourism;
- creation of conditions for multi-purpose use of tourist infrastructure;
- regulations promotional and informational and staffing;
- optimization of economic, ecological and social benefits from tourism with distribution of these benefits in society, minimizing of potential problems connected with formation and functioning of tourism industry;
- coordination of activities of public and private sector in tourism development.

- In Uzbekistan, all kinds of conditions are created for revealing the huge tourist potential and applying it in order to improve the standard of living of the population.

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**“Train people well enough  
so they can leave. Treat  
them well enough so they  
don't want to.”**

**Sir Richard Branson**



## GROWTH AND FUTURE SCENARIO OF FOREIGN DIRECT INVESTMENT IN INDIA

Mohd. Azhar-Ud-Din Malik<sup>1</sup>

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### ABSTRACT

*Foreign Direct Investment is one of the key instruments for attracting international economic integration in an economy. Even though India has been later comer to the FDI as compared other East Asian countries, liberalized policy regime has sustained its attraction as a favorable for foreign investors. Foreign direct investment plays an important role in Indian economy. It helps in transferring of financial resources, improved management techniques along with rising productivity. Indian companies receive foreign direct investment through automatic route or government route. FDI inflow made its entry in India during the year 1991-1992 with the aim to bring together the intended investment, actual savings and meet the balance of payment deficit of the country. The paper tries to study the present impact of FDI in India, its future needs and examine the situation of FDI in India and determines the advantages and drawbacks of FDI flow in India economy.*

**Key Words:** Globalization, Foreign Investment, Development, Indian economy.

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### Introduction

Foreign Direct Investment (FDI) is an investment made by a company or entity based in one country, into a company or entity based in another country. It is sustainably different from indirect investments like portfolio flows, wherein overseas institutions investment in equities listed on a nation's stock exchange. FDI play significant degree of influence and control over the company into which the investment is made. Free economy with highly skilled man power and good managing prospects tends to lead large amount of investment than closed economy. It was introduced in 1991 by the government under FEMA (Foreign Exchange Management Act) by Finance Minister Manmohan Singh. Starting from less than 1 billion base line in 1990, in recent times India remains the World's top most attractive destination for investment during 2016-17 stated a recent survey by UNCTAD. India was ranked after China and USA in the survey based responses of 159 companies. To pursue a growth of around 7% in gross domestic product of India, the net capital flows should increase by at least 29-30% on the whole. But saving stood at only 24%. The gap between actual saving and induced investment, loans by foreign banks and other places, and foreign direct investments. Among these three forms of financial assistance, India prefers as well as possesses the maximum amount of foreign direct investment.

According to the International monetary Fund, FDI, "Refers to an investment made to acquire lasting or long term investment in enterprises operating outside of the economy of the investor". Foreign Direct Investment is direct investment, which could be a foreign person, is seeking to control, group of entities or company, manage or have significant influence over the foreign enterprises. The investment company may make its overseas investment in a number of ways- either through a merger or joint venture or shares of an overseas company.

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## Review of Literature

Bhagwati J.N.7 (1978), in his study "Anatomy and consequences of exchange control regimes" analyzed the impact of FDI on international trade. He concluded that country's actively pursuing export led growth strategy can reap enormous benefits from FDI. Dornbush and Park (1995) observed that foreign investors pursue a positive feedback strategy, which makes stocks to overreact to change in fundamentals. Lisa De Propis and Nigel Driffield<sup>40</sup> (2006) in their study "The importance of cluster for spillovers from FDI and technology sourcing" examine the link between cluster development and inward FDI. They concluded that firms in clusters gain significantly from FDI in their region, both within the industry of the domestic firm and across other industries in the region. M Joseph and N. Soundararajan, (2009) The Indian Council for Research on International Economic Relations (ICRIER) study has shown that through nearly about hardly 1.8% of small shops have closed down due to competition from organized retail. K.R.Kaushik and Dr. Kapil Kumar Bansal (2012) identified in their study that if we are assuming advantages of FDI there is also disadvantages attached with it. This is an era of change, everyone wants change. As the living style and purchasing power of consumer improves they want to changes in their environment. In every business deal there is some risk but if we want profit and success we have to take some risk and it is natural because risk is a part of every business deals. So forget about this FDI is very advantageous for our Indian economy instead of loss. Dr. M. Shahul Hameedu 2014) said in their research that FDI in India has plays a very important role in the development of economic growth of Indian. FDI India is helpful in accessing the jobs and improving the existing manufacturing industries. The inflow of FDI in Indian retailing business: aware and make active the other sectors like computer software and hardware, drugs and Pharmaceuticals, electronics sector, etc. These sectors in Indian retailing business have much expand by the FDI.

## OBJECTIVES

- The objective of the study paper is to know about the current scenario and growth of FDI in Indian economy.

## Methodology

This study carried out is analytical and empirical in nature. The study is based on published sources of data collected from various like reports and publications of go GOVT and RBI relating to foreign investment, economic journals, books, newspapers, magazines, internet and other previous research etc.

## Growth of FDI In India

1. CURRENT SCENARIO: FDI, a number of factors have contributed to this trend. External resources have played a tremendous role in bridging their import export and saving investment gaps, the growing awareness of greater possibility of combining advantageous of efficient capital availability with the acquisition of known and marketing skill of the investor. Since liberalization using FDI to enhance exporting capabilities is being recognized. It is considered more secure and stable source of domestic investment in comparison to short term and more volatile private financial institutional areas. Countries participating in the international economics are known as open economy countries. Nations options to remain open economies because they realize the welfare of their citizens are improved through international investment. Foreign investments add a great deal to India's economy. The continuous inflow of foreign direct investment (FDI), which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy. FDI inflows to India increased 17% in 2013 to reach US\$ 28 billion as per a United Nations report.

2. **FDI LIMIT SECTOR WISE:** Government of India recently allowed FDI inflow 100% in agriculture, asset reconstruction companies, civil aviations, private sector banks, single brand retailer, special economic zones, tea plantation, tourism and telecom. And also 49% in commodity exchange, defense, insurance, pension, petroleum and natural gases, power exchanges, print media and stock exchange. 47% in credit information companies, 51% in multi-brand retail, 20% in public sector banks.

3. **MARKET SIZE:** total FDI inflows into India in the period April 2000- August 2014 touched US\$ 341,357 million. Total FDI inflows into India during the period April-August FY 2016 was US\$ 17,445 million.

4. **TOP INVESTING COUNTRIES:** Mauritius led the share of top investing countries by FDI equity inflow into India with US\$ 3,934 million during April-August FY 2016, followed by Singapore, Netherlands, and Japan etc. The share of top five leading countries is shown below as :

(US\$ in million)

Amount Rupees in crores (US\$ in million) Ranks	Country	2013-14 ( April - March)	2014-15 (April – March)	2015-16 (April-May, 2016)	Cumulative Inflows (April '00 - May '14)	%age to total Inflows (in terms of US \$)
1.	MAURITIUS	51,654 (9,497)	29,360 (4,859)	13,592 (2,283)	384,077 (80,808)	36 %
2.	SINGAPORE	12,594 (2,308)	35,625 (5,985)	5,797 (982)	131,604 (26,417)	12 %
3.	U.K.	5,797 (1,080)	20,426 (3,215)	3,239 (545)	104,123 (21,309)	10 %
4.	JAPAN	12,243 (2,237)	10,550 (1,718)	1,916 (319)	82,560 (16,587)	7 %
5.	U.S.A.	3,033 (557)	4,807 (806)	923 (154)	56,653 (12,081)	5 %

Source: Ministry of finance, Department of economic affairs, Government of India

5. **HIGHEST ATTRACTING SECTORS:** The service sector attracts highest FDI inflow with US\$ 2,336 million in the period April-August 2015 followed by the construction development, telecommunication, computer software and hardware, drug and pharmaceuticals, which are shown in table as:

Amount in Rs. Crores (US\$ in million)

Amount in Rs.\$ Crores (US\$ in million) Ranks	Sector	2013-14 ( April - March)	2014-15 (April- March)	2015-16 (April-May, 2016)	Cumulative Inflows (April '00 - May '14)	% age to total Inflows (In terms of US\$)
1.	SERVICES SECTOR **	26,306 (4,833)	13,294 (2,225)	3,445 (574)	189,015 (40,034)	18 %
2.	CONSTRUCTION DEVELOPMENT: TOWNSHIPS, HOUSING, BUILT-UP INFRASTRUCTURE	7,248 (1,332)	7,508 (1,226)	1,317 (221)	109,874 (23,527)	11 %
3.	TELECOMMUNICATIONS	1,654	7,987	8,966	75,685	7 %

	(radio paging, cellular mobile, basic telephone services)	(304)	(1,307)	(1,512)	(15,675)	
4.	COMPUTER SOFTWARE & HARDWARE	2,656 (486)	6,896 (1,126)	668 (112)	60,339 (12,929)	6 %
5.	DRUGS & PHARMACEUTICALS	6,011 (1,123)	7,191 (1,279)	4,031 (680)	60,101 (12,277)	6 %

Source: Ministry of finance, Department of economic affairs, Government of India

## Advantages and Disadvantages of FDI

### (A) Positive Impacts

1. Increasing employment level and improving efficiency of production.
2. Helping in capital formation by bridging gap between saving and investment.
3. Increasing efficiency of production through transfer of new technology, skilled man force and Intellectual property.
4. Improving efficiency of domestic industries through competition with foreign industries.
5. Decreasing balance of payments deficit through increasing export and decreasing import.

### (B) Negative Impacts

1. FDI directly impact on domestic industries fear that they may lose their ownership.
2. The increasing investment leads to environment al degradation.
3. Some may edge out of business because they are not able to compute with World class Companies.
4. Government has less control over the functioning of such companies as they usually work as Wholly owned subsidiary of an overseas company.

## Conclusion

FDI in India concludes that India should increase FDI inflow as it has huge benefits for the Indian economy, benefits like use of advanced technology, expertise, improving standard of living, better infrastructure, improving competitiveness, boosting exports and providing India with a global platform.

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## COMMUNITY ENGAGEMENT IN UNIVERSITIES

S.K.Govil<sup>1</sup>

One of the most spoken in global higher education circles today is “Community-university engagement” which has assumed profound importance amid the many challenges faced by the world today .

Indian policy makers have fallen in line with the “engagement agenda”.

It includes promoting community-university partnership to develop knowledge for improving the lives of the people and encouraging “participatory research, working with community based organisations in planning and execution of projects. It seeks to propagate the integration of services, service learning and experiential learning into curricular and co-curricular programmes .It also aims to create neighbourhood networks of education institutions and provide policy suggestions and technical assistance to help foster community engagement and social responsibility in higher education . It focuses on certain key essentials of “engagement”. It encourages universities to develop proposals that incorporate a variety of engagement options, ranging from joint research with communities to promoting knowledge mobilisation and dissemination.

This includes linking learning with the framework on community engagement along with devising new curricula and courses, encouraging practioners to step into the academic arena, and providing adequate support to social innovation initiatives or projects undertaken by students.

Growing concern regarding the importance of the contribution that higher education institutions make to the society has aroused a national debate about their relevance and credibility amid escalating social problems.

This concern is leading to significant development at national policy levels, which provides for meaningful engagement of the institutions with the community or society around them. Another recent development in line has been the creation of national university rankings, an initiative by this set of rankings is unique in that it includes the social contribution of universities as an equally important criterion in deciding institutional ranking- equal in status to another traditional factors such as research focus, teaching and publications.

So India has been slowly but surely catching up with the enagement agenda, with a growing number of universities investing in projects with a meaningful social contribution to society.

In the light of recent attempts to incorporate community engagement policies in the everyday practice of universities and study their potential impact for universities, a timely investigation into policies, perceptions and practices among university staff and students, in relation to civic responsibility concepts and engagement with communities and regions has become necessary.

Community engagement is different from traditional outreach activities of universities. The term “outreach,” heitherto used, implies a one way delivery of expertise and knowledge, where as engagement conveys the idea of mutuality and sharing of knowledge and leadership. Engagement promotes “academic Citizenship” central to which is the idea that a university is a collective entity rather than a collection of individuals asserting the compact between the university and society.

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Universities indeed are networked as a community of concentric circles with society. In September, 2005, Tufis University convened the Tallories Conference-2005 at the University's European centre in Talloires in France. This conference was the first international gathering of the heads of the universities devoted to strengthening the civic roles and social responsibilities of higher education. The conference gave rise to the Talloires Declaration on the civic roles and Social responsibilities in higher education. All signatories of the Declaration have committed their institutions to educating for social responsibility and civic engagement, and to strengthening the application of university resources to the needs of local and global communities.

Thus the rise of a community engagement movement world wide offers a range of possibilities for universities to function as "sites of citizenship. These includes contributing to community, social and economic infrastructure, supporting equity, and diversity within higher education, and education for democratic citizenship.

With the rise of the community engagement "movement", we have seen a renewed interest in the role of the university as an agent of community and regional development. It is to be noted that community engagement is to be seen in this context as connoting the idea of "Engaged University". This approach regards community engagement and service as a central overriding goal of higher education, arguing that it should be embedded within all teaching, learning and research functions.

This vision of community engagement requires complete saturation across all structures, policies, priorities, and so on. Community engagement is not regarded as mere by-product or beneficial extra factor, and extracurricular activities, and it is not relegated to a separate range of identifiable activities.

This is one mode of propagating the idea of a tolerant and inclusive india outlook by an investment in liberal education associated with community engagement so as build up the social and ethical sensibility of the youth. It may not be a out of place if it is mentioned here that the value of school in humanities and social sciences lies in the fact that it trains one in interpretation, which Homi Bhabha Says, gives us insights into the cultural values that stand behind social facts. In as much as they are "integrative", they build knowledge through communities rather than on the basis of models, and models crop up through communities rather than otherwise.

Despite india's economic growth, the country continues to witness poverty, marginalization and deprivation, structurally located in rural, tribal, slum, homeless, Dalits and Muslim Households. New forms of social exclusion, urban poverty, environmental degradation, conflict and violence have also emerged in the past. It was expected that education would contribute solutions to these problems to some extent. However in spite of enhanced investment on expenditure, leading to increased enrolment, these issues remain largely unattended. The role of institutions of higher education in societal development seems to be potential missing link.

The course designed for the universities would also facilitate effective transaction of villages and community adoption programme by any educational institution and building social and life skills of its students as a part of Swachcha Bharat Abhiyan and Unnat Bharat Abhiyan also.

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## A REVIEW PAPER ON PERCEIVED OVERALL QUALITY

Saurabh Sharma<sup>1</sup>

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### ABSTRACT

*To attract consumers, quality is one of the most important aspects. If quality is not up to the mark, the product or service fails to create an impact on the minds of the consumers. This review paper aims develop and enhance understanding of the perceived overall quality for the academia and industry and highlights important aspects of perceived overall quality. For the desired purpose, the author has reviewed 25 research articles and presented summarized conclusion at the end.*

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### Introduction

In this digital era, the service sector has been growing at a lightning speed across the globe. Competition and advancement in technology have brought about radical changes in customer services. In this present era, the organizations are striving to gain competitive advantage over others. Various organizations have developed systems to ensure that they stay ahead of their competitors. All the firms in the market are continuously taking steps to ensure that it is able to retain customers. Losing customers has evolved becomes acute problems for the organizations. As various sectors, it produces a market share loss for the firms. Even though this effect can be compensated by new customers by the firm. Shapiro (1988) stated that a company can attain its objectives if it is market oriented and is connected well with its consumers, whereas Jaworski & Kohli (1990) discussed the importance of collecting information from market to achieve firm's objectives. But with, the period, the marketing efforts became more customer centric (Deshpande & Farley, 1994). It became advent that survival of firms is dependent upon how well they are able to manage customer. In relation with management of customers, few of the important philosophies came into existence. Walton & Berkowitz (1980) discussed importance of trust in buyer-seller relationship.

Thus objective of this paper is to discuss various views provided by scholars in the past for perceived quality.

### Review of Literature

Holbrook & Corfman (1985) in their empirical research, indicated that the perceived value of the services effect the consumer's perception about the experience which is expected. They considered quality of the product as an integral component which acted as a mediator for purchase intent.

Olshavsky (1985) in their conceptual study illustrated that comprehensive theory of choice should explain the composition and priority of goals within a consumer's life goal as well as the specificity of these goals. Likewise, the relationship, between goal formation and behaviours relating to the acquisition, consumption, and disposition of goods and the relationship of all these behaviours to obtaining information were briefly explained. The author presented a theoretical framework that encompassed all of these behaviours and their relationships.

Groonroos (1983) stated service as a complex phenomenon. The author mentioned customer's perception of service quality as influenced by the technical quality of the result of the services which are

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transferred to the customer and the functional quality or the method by which the service transferred. Since the quality is subjectively perceived, it should live up to the customer's expectations.

Steenkamp (1989) in the dissertation discussed the literature on quality from different angles and developed a model that the way in which consumers form an opinion about the quality of products. The author also described empirical test of the proposed model. Furthermore, the researcher also discussed two aspects and addressed the issues which are closely related to product quality, viz. The trade-offs consumers make between cost and quality appreciated in product choice, and the relationship between price and quality objective.

Aakar & Jacobson (1994), investigated the movement in a firm's stock price, which was the measure of firm value and was associated with information contained in perceived quality measures of the products. They proposed a model that also allows for the effect of economy-wide factors and a firm's return on investment; they found a positive relationship between stock return and changes in quality perceptions among the customers. The researchers implied that the quality measure contains information, incremental to that reflected by current-term accounting measures, about future-term business performance. They suggest that managers should convey information to the stock market, such as the brand's quality image, useful in depicting the long-term prospects of the business. By doing so, the stock market will rely less on short-term measures of business performance, and managers will be freer to undertake strategies necessary for ensuring the long-term viability of their firms.

Ophuis, & Van Trijp (1995), mentioned that quality has to be discussed in terms of perceived quality. They stated that perception process may have a different content for various persons, products and places. They addressed several elements of integrative model of the quality perception process. They also indicated that quality cues could be intrinsic or extrinsic and are used by consumers to form more abstract beliefs about the quality of a product. The researchers also concluded that experience quality attributes are based on actual consumption while credence quality attributes remain purely cognitive. They proposed that quality perception model could be used to bridge the gap between producer's defined quality and consumer based quality perception.

Steepekamp (1990), stated that companies in North America and Europe are placing product quality its place on the list of paramount strategic issues which are needed to be addressed. The implied that an important element of a marketing strategy based on quality is consumers' perceptions of quality. Through the article, the author developed psychological underpinnings of perceived quality judgments, and developed model of the quality perception process.

Reeves & Bednar (1993), traced the evolution of quality definitions and described the trade-offs inherent in accepting one definition of quality over another. The authors also indicated that universal definition of quality has yielded inconsistent results. Such a global definition does not exist; rather, different definitions of quality are appropriate under different circumstances

Rao & Reukert (1994), stated that when two or more branded products are integrated, they are perceived as linked or jointly branded. The implied that joint branding represents an alternative to in-house development of a brand name. Additionally, they also indicated that joint branding might be an efficient alternative to traditional brand-extension strategies. The authors used joint alliances to describe joint branding situations and to explore the reasons for such alliances. The authors also suggested that brand alliances can serve as quality signals when an individual brand is unable to successfully signal quality by itself.

Elliot & Cameron (1994) stated that consumer attitudes to local and foreign products and the likely "country-of-origin" effect in "Buy Local" and "Made In..." campaigns are should be surveyed. They indicated that the consumers consider importance of country of origin in relation to other product attributes as primary, They also found that country of origin was assessed as a surrogate indicator of product quality. Finally, the likely effect of country of origin on consumer choice across a range of product categories is held constant with brand name and price. Across the product categories studied, respondents rated country of origin as significantly less important as a choice determinant than product quality and price. In addition, clear country-of-origin effects are identified. Consumers rate products as being of significantly different quality when the only variation between products is stated country of origin. Further, consumers express a marked preference for locally made products when price, technical features, and brand name are invariant, and where the locally made product is perceived to be superior or, at least, not significantly inferior to an overseas-made product. Where the locally made product is perceived to be of inferior quality to the imported product, consumers generally prefer an imported product. Thus, while consumers rate country of origin after product quality and price, when these other factors are equivalent, the fact that the product is promoted as locally made is a positive influence on product choice.

Chebat, Filiatrault, Gelinus-Chebat, Vaninsky (1995), examined how waiting in the ques in bank invokes both emotions and cognition. The research was through observing the customers through the employment of videos simulating waiting lines in a bank. Through the research it was assessed that mood affects some dimensions of service quality, those related to the personnel in contact; attribution affects the relational dimensions of service quality (personnel's empathy and assurance). The research also indicated that mood does not affect the attribution process. Service quality was assessed not only in terms of what consumers receive at the end of the service delivery process but also in terms of the process itself.

Johnston (1987). argued that development of a quality strategy is important to improve service quality and presented the critical points in customer processing. The author stated that increasing competition in the service sector has provided an opportunity to the firms to differentiate their services from the competition by providing improved service quality.

Collier (1987) mentioned that management of customer service and quality levels (CS&QLs) in an organisation makes services as one of the most difficult jobs that manager face. The author also presented a unique ten-step plan for developing and implementing an effective CS&QL system which also represents a long-term commitment to the customer.

Kettinger & Lee (1994). discussed about the constant concern of management information systems (MIS) researchers and practitioners which focused upon improving user satisfaction with the information services function (USISF). This study adopted the SERVQUAL measure from marketing provided more specific information about user satisfaction with the information service function. It was found that, while the three original dimensions of the traditional user information satisfaction (UIS) measure remain strong predictors of overall ISF user satisfaction, two aspects of IS service quality, "reliability" and "empathy," are also significant predictors. The results suggest that the original dimensions of UIS may not be comprehensive enough to capture the more detailed dimensions of ISF service quality in SERVQUAL, and that the reliability and empathy dimensions of service quality may be needed to supplement the traditional UIS measure in determining user satisfaction with the information services function.

Berry, Parasuraman, & Zeithaml (1988) reasoned that service quality could make the difference between a business's success and failure. Interestingly, the authors also indicated management's failure to identify customer desires accurately as one of the kind of quality gap.

Haywood-Farmer (1988) developed a new model for measuring service quality. The model three groups of service quality components: physical and procedural, behavioural, and judgemental. The author also provided a classification scheme for service operations based on their relative degrees of labour intensity, process and product customisation, and contact and interaction between the customer and the service organisation.

LeBlanc & Nguyen (1988) conducted an exploratory study on service quality in a financial institution setting. The authors identified six factors of service quality in financial institutions, namely the degree of customer satisfaction, the contact personnel, the internal organisation, the physical environment and instruments, the corporate image, and the personnel/customer interaction during the service encounter. They pointed out that increasing competition on international markets has led various companies to cogitate quality as a strategic tool, which is capable of influencing market share and return on investment in financial institutions.

Bolten & Drew (1991) developed a model of customers with prior experiences and expectations assess service performance levels, overall service quality, and service value. The results of their experimental research indicated that perceived performance levels also had an important direct effect on quality and value assessments.

Mangold & Babakus (1991) in exploratory study evaluates customers' and employees' service quality expectations and perceptions in hospital environment. The results of their study indicated that there is a difference in service quality perceptions in how it has to be served to patients among administrative and non-administrative staff.

Mersha & Adlakha (1992) in the exploratory study examined the assessment of service quality as perceived by consumers. The authors also identified and ranked the attributes for good and poor quality of five types of services. The findings of the study indicated that consumers have well-conceived ideas about service quality, and that certain quality attributes were considered important for most types of services. The authors argued that presence of attributes might not substantially improve the perceived quality of the service. The authors also suggested that majority of the customers would be willing to trade some convenience for a price break, and that the behaviour, skill levels and performance of service employees are key determinants of perceived quality of services.

Liljander & Strandvik (1993) in their exploratory study examined the relationship between expectations, service quality, and service value. They proposed a new method for capturing the customer's zone of tolerance for service quality. They interpreted through quantitative examination the zone of tolerance as a kind of inertia regarding behavioural responses to disconfirmation of expectations from the customers.

Spreng, & Mackoy (1996) conceptualized perceived service quality and satisfaction as different constructs. The authors examined the empirical distinction by testing a proposed model of service quality and its relationship with satisfaction. They stated that the perception of service quality among the customers significantly affects customer satisfaction.

Holmlund & Kock (1996) emphasised on the importance of relationship marketing. They stated that services marketing since more efficient, profitable and sustainable with induction of relationship marketing.

They argued that the higher profits can be achieved by focusing on present customers instead of concentrating on attracting new ones. They mentioned that existing customers could be retained through providing quality services.

Zeithaml, Berry, & Parasuraman (1996) argued that service quality is related to retention of customers at the collective level. The authors in their research have found evidence of its impact on customers' behavioural responses. The authors through a conceptual examined the impact of service quality on particular behaviours that signaled whether customers should remain with or defect from a company. The research findings of their study indicated a differences in the nature of the quality-intentions link across different dimensions of behavioural intentions.

De Ruyter, Wetzels, & Bloemer, (1998) provided a theoretical framework for service loyalty which consisted of three dimensions: preference loyalty; price indifference loyalty; and dissatisfaction response were developed. The authors subsequently focused upon the role of service quality and switching costs as antecedents to the of service loyalty. The researchers suggested that industries which were characterised by relatively low switching costs, customers would be less loyal as compared to service industries with relatively high switching costs.

### Conclusion

When customers are become loyal quality offered to them is good and they exhibit more non-random purchase continuously; they devote to encourage their families friends and acquaintances in recommending the company to others. better quality in service and products results in customer loyalty and customer implies that even if companies make minor errors or mistakes, customers are still willing to do business with them or maintain relations. Dick & Basu (1994, p. 99) are of the view that the central thrust of the marketing activity of any firm should be viewed in terms of development, maintenance, or enhancement of consumer's loyalty towards its product or services. And on the basis of extensive review it can be inferred that good quality offered results in creation of loyal customers.

### Conclusion

From the reviewed articles it can be inferred that for gaining customer loyalty and for enhancing business performance, it is important for an organisation to maintain the quality of the product or the service offered. Consumers also have difficulties to evaluate the quality of services. Thus the parameters for quality should be easily understandable by the customers. In present era customer loyalty is more important so that, rather than creating new customers, present customers can be retained. Thus it can be said that offering qualitative products and services is beneficial for company not only in short term but in long term too.

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