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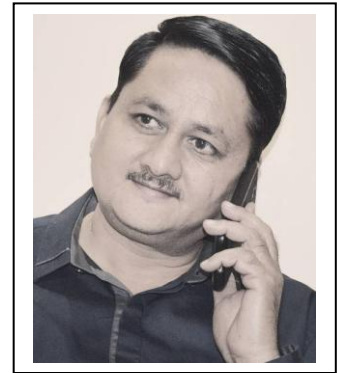
Dear Academicians & Research Scholars,

Happy Independence Day

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

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

Dr. P. S. Bhadouria

INNOVATIONS IN DEVELOPMENT OF TOURISM INFRASTRUCTURE
(A Study with special reference to Uzbekistan)

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ABSTRACT

The scientific article outlines the strategic directions of the development and improvement of tourism infrastructure in Uzbekistan, as well as suggestions and recommendations on developing directions of development on the basis of analysis of the works carried out abroad and the development of quality services to tourists.

***Key words:** Tourism, Tourist, Innovation, Infrastructure, Hotel Business, Hotel Numbers, Tourist Services, Visas, Tourists, Economics.*

Introduction

In recent years, as a result of reforms in the tourism industry of our republic, it has been decided to pay special attention to the following areas:

- To develop tourism infrastructure and create a favorable and comfortable tourist environment;

- Diversification of tourism products and services focused on different types of insurance in the tourism market;

- A special attention was paid to the improvement of the system of training, retraining and advanced training of specialists for the tourism sector, and identified the tasks that should be implemented.

At the same time, within the nearest years, the competencies of the Tourism Committee and the tasks it needs to accomplish, the trends in the formulation of tourism infrastructure have been defined.

It is important to explore how our priorities are focused on the development of tourism infrastructure and the development directions, the introduction of innovations in the tourism infrastructure. One of the main goals of our research is to identify trends that are important factors in achieving the competitiveness of our country in world tourism. The current research is devoted to the methodology of introducing innovation into the tourism infrastructure, which is crucial in turning tourism into one of the leading sectors of the Uzbek economy.

Analysis of topic material

There are numerous studies on the development of tourism infrastructure, modernization and innovation, with moderate processes being differently interpreted and defined, but each of them focuses on consumer-oriented services. We conclude that these conclusions are justified, and we briefly explain our views on how

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to analyze the opinions and comments of some authors, summarize their results, and improve the infrastructure.

Carmen Babaita, Gabriela Sipos, Andreia Ispas, Andrea Nagywould be quoted as saying that the hotel industry plays a leading role in the development of tourism infrastructure in the book "Ledership style and culture for innovation in hotel industry"[4]. Another researcher, Arturo Cuenllas, published a study titled "Innovation in hospitality management", which is based on the use of innovative management methods in hotels[5]. The author did not pay enough attention to the factors of the formation of the infrastructure in the implementation of these factors.

Similarly, who conducts research in our country. According to N.Safarova, one of the key directions in the methodology of forecasting the influence of tourism on the sustainable development of national economy is to ease the incomes of the population and the issues of distance and visa between countries[6]. This is a one-sided approach that focuses on the quality of services and the infrastructure.

The main directions of Z.Usmanova's research are focused on the development of tourism and recreation services in Uzbekistan, with a lack of adequate recruiting and health tourism in Samarkand, Kashkadarya and Surkhandaryaregions [7]. In these provinces there is no shortage of recreational and healthcare organizations, as well as the complete formulation of infrastructure for their development.

As a result of her research, D.Norkulova has developed a series of recommendations for the improvement of the organizational and economic mechanism of development of social tourism services in Uzbekistan and has provided social protection as a basic direction [8]. At the same time, there is no interconnection between the objects serving social tourism and the creation of an alien structure.

It should be noted that at present there is no single concept among many authors on the development, formation and introduction of innovations in the field of tourism infrastructure. In our opinion, the scope of the research that is still to be done in this regard is widespread, and we have to take into account the well-established international experience of ensuring the mutually beneficial development of the infrastructure in the formation of the infrastructure.

Research methodology

The research has identified a methodology for the development of tourism infrastructure in the coming years to consider the expected innovation changes and thus develop a comprehensive approach to infrastructure development through the use of methods such as observation, comparison, empirical research, systematic and comparative analysis and expert assessment. The method of determining the direction of the development of parts is proposed. Also, conclusions on priorities of tourism development directions of the republic for 2025 were developed and concrete recommendations on infrastructure improvement were elaborated.

Analysis and results

The decree "On additional measures for rapid development of tourism" adopted in the Republic of Uzbekistan is approved by the concept of tourism development for 2019-2025, is the concept includes the work to be done in the next six years.

Accordingly, by 2025, tourism's share in the gross domestic product of Uzbekistan will increase from 2.3% (2017) to 5%, and the number of foreign tourists to 9-10 million, including the number of foreign

tourists to 2 million. It is also expected to increase the volume of tourism exports from $ 950 million to $ 2.2 billion. It is planned to roll out the number of vehicles from 850 to 3,000. The number of tour operators is expected to grow almost 860 times[1].

Leading companies are involved in the creation and expansion of the single strategy for the development of the tourism brand in Uzbekistan, while working with Saatchi. At the same time, it is planned to hold exhibitions, competitions, and transform Uzbekistan into a festivals country, thus intending to develop event tourism. Another crucial aspect is the improvement of the training system. Examples include travel agencies, hotel staff, and more perfect standards for providing tourist services.At the same time, the activities of the International Tourism University "Silk Road", opened in Samarkand, serve these purposes. In addition, the joint faculties and branches of foreign HEIs jointly with foreign higher education institutions will help to train specialists in the field. Nowadays actively working with tourism academies of Russia, Korea, Turkey and European universities. The UNWTO will also introduce TedQual (Tourism Education Quality) certification of international tourist education. At the same time, unprecedented processes are being implemented in the tourism sector of our republic. A number of works has been done to regulate the visa system. At the same time, we are working on a program called "Uzbekistan - my second home". For example, the wealthy Malaysians are retired, they have their own earnings, and they want to live in a country with a comfortable, good kitchen. This type of people will be able to come to Uzbekistan, buy a house, live there, and spend money, which will serve the economy of Uzbekistan. From 2019 visa regime will be introduced for more 45 countries and the number of countries with which the electronic visa will be increased to 76. Simplification of visa regime is one of the most important steps towards the development of tourism in Uzbekistan.

It is planned to turn Uzbekistan into a unique educational hub. The "Studentvisa" visa will be introduced for this purpose and the work on attraction of foreign higher education institutions has already begun. One of the first steps in this direction was the establishment of the Amiti University of India in Tashkent. Another major university in India, which has 25,000 students per year, intends to invest $ 100 million in Uzbekistan. Korea, Russia are holding talks with universities in Germany and is trying to open a joint university with Germany. With the "Studentvisa" visa, students will be able to study in Uzbekistan without problems.

At the same time, the main stages of the development of tourism in the Republic of Uzbekistan are as follows:

- 2019-2020 - conducting institutional reforms to create a robust legal basis for tourism development, modernize infrastructure and promote the country's brand;

- Increasing the share of the tourism industry in the country's economy in 2021-2025.

Also, the construction of hotels in Uzbekistan is intensively carried out. In 2019, 212 new hotels will be built, with a total of 4664 rooms. Most hotels will be built in Tashkent (41), Samarkand (30) and Bukhara (29) cities. By 2021, phases will be gradually increased and up to now, the new 1508 hotel with a total of 30,212 rooms will be built.

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[1]www. uzbektourism.uz

Table 1 : The number of hotels to be built in 2019 and the number of rooms in them[1]

Indicators	Numberofhotels	Numberofrooms
Totalcompletedconstructionhotels	212	4664
Including:		
In the Tashkent city	41	1200
In the Samarkand city	30	800
In the Bukhara city	29	750
In the rest of the country	113	1914

Thus, by 2021, the number of hotels in Uzbekistan will make up 2,484.The number of apartments in them is 50.044.This figure, according to the end of 2018, has 886 hotels in Uzbekistan with 19,832 rooms[2]. By January 1, 2022, more than 50,000 hotels will be created. Investors who have built a three-star hotel with no less than 50 seats have invested $ 40 million in each hotel room rate. The company invested $ 65 million for the cost of each room in the hotel, which has set up a four-star hotel with a capacity of up to 100 sums. The subsidy is sum.

Table 2 : The number of hotels in Uzbekistan (forecasts for 2019-2021)[3]

Indicators	2018 y	2019 y	2021 y
Numberofhotels	886	1098	2394
Numberofrooms	19832	24496	50044

In addition, the first 300 hotels with three stars are paying $ 400 per year for each number per $ 200 per year and a four star 30 hotel per room. For example, for a hotel with 100 rooms this means $ 40,000 a year. This privilege has not been offered anywhere yet.

Previously, there was a demand for a separate permit for each point of sale in the hotel. This claim will also be canceled. For example, if you opened the hotel, you do not need a license for a sales office. Even for the sale of alcoholic products. The hotel can also provide transport services without a license. If it has a license for long-distance passenger transportation, it can perform the carriageway. Previously, you would need to get an additional permit for this.

With regard to the changes in the global hotel business, 2017-2018, as a result of innovation in the hotel business, social and technological changes have taken place, and large and popular brand hotels have been making great efforts in this regard. This defines the main directions of innovations that are expected to be used in world hotel business. These routes include:

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[1]Written by the author on statistical indicators
[2]www. uzbektourism.uz
[3]Written by the author on statistical indicators

- New types and fees will be introduced in hotel business. As a result, international experts believe that the prices for hotels in the US tourism market will increase in the future. Gains will be raised in major US cities, including New-York, Chicago and Los-Angeles. Experts say that, in spite of the travel costs, it is necessary to take into account the costs.It is estimated that there is still time for transparency in this area. Experts believe that there is a good point, and in contrast to the increase in prices, there will be no city tax for living in hotels with current fees;

- Hotel rooms are being cleaned down dramatically. The reason is that as the brand grows, hotels have more and more refineries, and there are two reasons: price and privacy. For example, some tourists are seriously worried about a change of place where the toothbrush is placed in terms of health and safety. Some people do not like to be overwhelmed by excessive gossip and do not want to regulate their misery.As a result, the prices in the numbers can be reduced to a certain extent;

- Innovative technologies used in numbers. Edmundson, a chain manager at the renowned Marriott Hotel, draws attention to the fact that in the near future investments in hotel business will be invested in connecting devices, such as the Internet-goods - the smart Nest Thermostat or the Alexa voice assistant. For example, MarriottSamsung and Legrand SA's hotels have a growing number of demanding reflections on the customer's favorite water temperature, wall-mounted wallpapers, wallpapers that can be switched on family photos, and video monitors with voice-over.From next year, Marriott's hotels will gradually introduce new numbers. They are expected to be the first to offer W-Hotels network.In this regard; "Hilton" has just shown "smart numbers". Smart Phone Numbers can be used to manage TV, light, weather and digital photo frames with mobile apps. In the near future these numbers will be expected in major US cities. From 2019, they will be available to all Hilton hotels.

- A healthy lifestyle for tourists will be more important than ever before. It is believed that a healthy lifestyle industry will turn into a $ trillion dollar market. Everyone wants to earn a living, but all the brands decide on their own. No one yet understands the most effective way. "Hyatt" has spent $ 375 million on the legendary "Miraval" brand, while JW Marriott is partnering with Ballyfoot to offer guests a ballet dance.Four Seasons hotels have developed a special "Health rooms" featuring dichlorous shower and Dipak Chopra video. Resorts and spa hotels are increasingly changing their hiring strategy to attract more doctors, nurses, and diets to get more competition.

Conclusions and suggestions

From the above, it is desirable to define four directions which should be of particular importance, with our strategic aspect in the formation of our new tourism infrastructure, first and foremost the work that has begun in the last year:

- Accelerating the construction of luxury accommodation facilities such as modern and branded hotels and hostels, family guest houses as well as implementation of apartment bureau schemes through the Air B & B system;

- Development of unique, secure and innovative transport logistics, taking into account interconnected forms of internal and external transport for transport logistics, tourism flow and diversification;

- Increasing the effectiveness of cultural heritage sites, museums, theaters, art galleries through the creation of information and reference systems for tourists, introduction of smart tourism technologies, installation of tourniquets and video surveillance systems;

- The "monetization" of tourism, primarily by increasing the "monetization" of tourism by establishing a flexible pricing policy for tourism, lodging services, organizing catering, organizing cultural events and souvenirs, The Republican group for the study of development issues was created and divided into three working groups. Throughout the year, experts from local ministries and agencies will develop draft laws, which will include detailed study of the situation and concrete proposals to address the problems that hinder the development of tourism.

We also need to be ready for the upcoming and ongoing change in the global tourism infrastructure. Today, competition is developing at such a rate that we need to get the right direction from the above information when developing a strategic plan to deal with it.

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THE ROLE OF INVESTMENT IN THE DEVELOPMENT OF TOURISM

Z. Muhammedova[1]

ABSTRACT

One of the features of the modern world economy has become one of the fastest growing and most promising sectors of the economy with high incomes. According to this article, the author investigated the scientific works of many scientists and researchers on the role of investment in the development of tourism. At the same time, the parties reviewed and made proposals on the role of investment in the development of tourism.

Key words: *Tourism, Tourism Industry, Development, Investment, Investment Resources.*

Introduction

Tourismhas become an important area of influence on economic development in many countries. The main advantage of tourism is its great influence on increasing income and creating new jobs. For most regions and countries, this is most important.Tourism contributes to economic growth and development of the country: first, bringing numerous economic and social benefits; and, secondly, assists in creating a country's brand value, image, and identity.The tourism industry goes beyond attractive tourist destinations, being an important factor in economic growth. You can also add that tourism brings the country foreign currency. In the 1960s, much attention was paid to tourism precisely as a source of foreign exchange earnings.Tourism is an industry that earns foreign currency for a country without depleting natural resources and in fact without exporting any material wealth from the country.

The phenomenon of tourism is very complex. By virtue of its activities, it has implications in the social, political, cultural, and economic spheres of activity.The huge volume and complexity of the tourist services offer led to the formation of the travel and tourism industry. Because of this phenomenon, tourism should be considered as a separate independent sector of the economy. The state and development of this sector of the economy is closely related to the levels of development and growth of other sectors of the economy.

Countries that properly assessed the role and prospects of tourism in the socio-economic development of the country and realized the need for more efficient use, especially economically developed countries, are paying close attention to the growth of this sector. It is not surprising that such countries pursue a reasonable macroeconomic policy. They get approximate results in the recovery of the national economy.Many countries around the world have the opportunity to increase their foreign exchange earnings through tourism, which is a leader in the development of GNP. For example, the share of tourism revenue in GDP is 19.3% in Malta, 16.0% in Cyprus, 15.5% in Greece, 12.5% in Austria, 9.7% in the UK, 9.3% in Italy,in Russia6.5%. Uzbekistan also attaches great importance to the development of tourism in the modern world, but the share of tourism in GDP is about 2.5%, which is a very low figure. It should be noted that today the tourism sector is distinguished by its specificity of the national economy, its product has the right to use certain types of services, and these services are being created in other sectors of the economy.

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It should be noted that today the tourism sector is distinguished by its specificity as a national economy, its product has the right to use certain types of services, and these services are created in other sectors of the economy. However, the positive impact of tourism on the national economy is manifested only when it comes to the development of tourism, which is achieved through parallel development and interaction with other socio-economic sectors and sectors of the country. There are many factors in the development of tourism, and most importantly, investment. In a market economy, the development of a country's economy cannot be achieved without investment. In particular, investment processes are a priority for developing economies. Thus, the investment problems facing recovery in our country are extremely relevant Given the close relationship between economic growth and investment, Uzbekistan attaches great importance to the investment policy aimed at improving the investment climate and expanding its investment. In order to accelerate economic growth and increase gross domestic product, Uzbekistan invested $ 24.8 billion in cooperation with foreign investors. It was developed 243 projects worth $ 243 million. United States, and began their implementation.

The solution of theoretical and practical problems of investment is of great importance not only for material production, but also for the development of the non-material sphere, including tourism. The tourism industry is an important multiplier of the national economy, its rich historical and cultural potential.However, in order to successfully solve current problems of rapid development of the tourism industry, it is necessary first of all to develop transport, social and engineering infrastructure, services in recreational areas and the development of roadside infrastructure. Naturally, all this requires significant financial costs and significant investment. Experts believe that direct and indirect income from tourism makes it one of the most important tools for rapid development.

In addition to expert opinion on the acceleration of investment in tourism, it should be noted that for Uzbekistan, which is facing a shortage of financial resources in a fast-growing economy, this expert conclusion should be used in its own way and effectively. Investments in tourism are primarily intended for long-term (one year or more) investments, regardless of whether they are within or outside the country.

Methodology

In the course of the study, in order to accelerate the development of tourism in Uzbekistan, increase its role in solving its social and economic problems, it is important to attract investment resources to the sector, increase efficiency, encourage investment in innovation and conduct interviews with scientists and representatives of these sectors, analyze, analyze and synthesize the methods in studying the processes and identifying categories related to tourism and the message of the author was reported.

Main part

Tourism, as a separate industry, considered one of the most profitable of all possible and existing industries. Although it does not have a long historical development, in a short period of time it developed rapidly under the strong influence of several factors.Therefore, there is a growing interest in finding ways to accelerate the development of the tourism industry, both from the state and from private entrepreneurs.Currently, in Uzbekistan, thanks to a targeted macroeconomic policy pursued by the state, tourism has become one of the fastest growing sectors of the economy, although it is not yet a highly profitable industry and a significant source of income to the national budget, like in developed countries.

In Uzbekistan, having great potential in the field of tourism, the head of state stressed that the lack of favorable economic, organizational and legal conditions for the development of the industry for a long time

did not create a full and effective use of this opportunity. Since independence, more than 100 resolutions, decrees and orders have been issued, and international agreements on tourism development have been signed.Decree of the President of the Republic of Uzbekistan "On measures to ensure the development of the tourism industry in the Republic of Uzbekistan" of December 2,2016, Decree of the President of the Republic of Uzbekistan "On measures to further improve the activities of the State Committee for Tourism Development" of February 6, 2018,two times in 2018 PF -5326 Presidential Decree"On additional organizational measures to create favorable conditions for the development of the tourism potential of the Republic of Uzbekistan".The signing of most agreements, decrees, laws and orders signed in 2016–2018 shows that the head of state and the government attach great importance to this area in the context of implementing large-scale economic reforms in Uzbekistan.They provide for the effective implementation of tourism in the national economy, increasing the competitiveness of national tourism and tourism services on the world market, increasing the country's tourism potential and increasing its efficiency, as well as implementing effective measures to develop domestic tourism. Thus, Uzbekistan consistently pursues the "Right to Justice" policy and creates legal frameworks and conditions for the rapid development of the tourism industry and its transformation into one of the leading sectors of the national economy.

Investment plays an important role in the successful implementation of macroeconomic policy in Uzbekistan, which aims to promote tourism development. The active attraction of investments in the tourism industry and infrastructure is an important prerequisite for winning the competitiveness of economic entities and continuing their business activities in the marketInvestments will be necessary, first of all, for the formation and provision of new services that will ensure wider reproduction and diversify quantitative and qualitative indicators.

This ensures high attractiveness and competitiveness of tourist facilities. Increasing the investment attractiveness of tourist facilities also serves as an additional tool for the development of the regional economy

Experts found that investment in the tourism industry has a high investment multiplier effect. One amount in this sector will give a total of four soums in other sectors of the economy. In addition, tourism has an increased effect on employment, that is, one job created in the tourism sector will lead to four jobs in other related industries.

Investing in the tourism industry is a process that invests in the investor's own business in the field of tourism. Since capital is one of the key factors of production, the development of the tourism industry also directly depends on capital investments. The research results show that currently there are the following types of investments that are implemented by the organizers and participants of the investment processes in Uzbekistan:

- Investments of citizens, non-state enterprises, tourist associations, companies, associations and public and religious organizations, legal entities;

- Investments by the government and the government;

- Investment of foreign citizens, legal entities and states in the form of investments in the tourism business;

- Investments from joint funds of the state and foreign partnership. This form is relevant when creating large international projects;

- Investing through financial intermediaries, investment funds and companies.

The volume of investment in the development of the tourism industry is usually implemented in the form of targeted programs based on a set of measures to cover the costs of tourism activities, as well as investments that are expected to achieve the expected long-term profit of the investor.

It should be noted that there are two ways to solve the problem of attracting investment resources that are necessary for the implementation of the Concept of Accelerated Development of Tourism in our country. Firstly, the volume of attracted investment resources is significantly expanding. The second is associated with intensive factors of economic growth, with greater efficiency per each invested resource unit (capital efficiency, capital capacity, profit, etc.).

Our conclusions on the first resource provision of the Concept for the rapid development of tourism in Uzbekistan are rather pessimistic:

"Firstly, in accordance with the Action Strategy on the five priorities for the further development of Uzbekistan, it provides for the comprehensive development of all sectors and sectors within the national economy. It is obvious that in this case the volume of investment resources for tourism cannot be reduced by reducing the volume of investment resources directed to other sectors of the national economy, such as industry, transport, education, or other sectors, causing them damage.For example, in the strategy of deep processing of minerals - about 40 billion sums. It is planned to implement 849 investment projects worth 8% billion or implement a set of measures aimed at reducing the cost of products manufactured at large enterprises of the industry by an average of 8 percent and increasing its competitiveness.

Naturally, an increase in the share of tourism in gross investment by reducing the investment required for this and such important and important economic events will adversely affect the idea of economic growth.

Secondly, the problem of the rapid development of the tourism industry and its competitiveness in the tourism market depends on the cost and quality of services. At the same time, meeting the demand for investment resources necessary for the needs of the tourism industry is limited by extreme factors by the possibility of reducing costs and improving the quality of tourist services.In all countries of the world, it is extremely important to find innovative mechanisms for the effective use of investment resources to improve the quality of food and reduce the cost of tourism services. Strengthening the competitive environment in the international tourism market is crucial for more intensive use of investment resources in Uzbekistan

Thirdly, the current state of the national economy and its socio-economic efficiency in Uzbekistan is largely due to the high level of extensive factors of social production. In his address to the Oliy Majlis of the Republic of Uzbekistan, the head of our state pays great attention to the fact that the efficiency of social production in the country is poorly used by economic resources, including the inefficient use of investment resources.Therefore, Uzbekistan pursues a policy aimed at the consistent implementation of the strategy of innovative development of the economy, and attaches great importance to its institutional framework. The Presidential Decree "On Approval of the Strategy for Innovative Development of the Republic of Uzbekistan for 2019–2021" provides for the inclusion in the top 50 most developed countries of the world rated by the Global Innovation Index of the Republic of Uzbekistan by 2030 through the rapid introduction of modern innovative technologies in all sectors of the economy.The tourism sector should also be consistent with economic policies and macroeconomic trends as an integral component of the national economy.

Increasing the level of indicators in the concept of accelerating the development of tourism in Uzbekistan implies the creation of an investment-oriented active economic environment. Only then the tourism potential can become a multiplier of the potential of the country and the socio-economic development of the country and its individual regions.The implementation of the investment concept of tourism will increase the flow of tourists visiting the country, as a result of which incomes will increase and new jobs will be created.Tourism requires the attraction of significant investment resources as an interbank complex that unites several sectors of the national economy, acts as an interrelation with them and contributes to their development and development.

Realization of the huge economic and tourist potential embodied in Uzbekistan does not happen automatically. To solve this urgent problem and make tourism one of the leading sources of national income growth, we believe that the construction and launch of new major tourist destinations for tourists allows us to create high-quality modern types of tourism products. We believe that in the future these facilities will serve as a driving force for reviving tourism in the country and for enhancing its enormous potential. The first steps in this direction were made in Uzbekistan.An example is the project of the tourism cluster, which will be built at the Jizzakh International Investment Forum, in the Bakhmal and Zaamin districts of the region. The project provides for the development of classical tourism on an area of 2,000 hectares: the organization of ecological trails and the construction of a mansion, a tent camp, horses and donkeys, trips, funiculars, downhill skiing, information centers, museums and craft workshops. On an area of 5,000 hectares, it is planned to create a shelter for a shelter, a sports complex, rare birds and animals.In addition, tourists can ride camels, watch kupkari games, participate in agricultural events and collect herbs. Naturally, the construction of such a large tourist destination in Uzbekistan requires the attraction of significant investment resources. At the same time, a large flow of tourists, many new jobs will be created, and real incomes of the population will increase.

Literature Review

Currently, many scientists and researchers are working on investing in tourism development. It should be noted that investments in tourism can be public or private, as well as domestic or foreign origin. In addition, there is a growing motivation for investing in tourism, both public and private sectors of the economy. The participation of the public sector in financing sustainable tourism development is important for the differentiation of methods and methods of financing, providing incentives for it and building capacity.In general, public investment improves both sectoral and economic growth. We will conduct a small review of our research.

 Thus, Munnell (1992), in his scientific work "Policy Watch: Investments in Infrastructure and Economic Growth", argued that the productive potential of a sector or region could be increased through public investment, by increasing the productivity of current resources and adding additional resources.

Also, Jenkins and Henry (1982) argued in their research that the participation of the public sector in tourism activities in most developing countries is required not only to achieve long-term goals, but also to compensate for the lack of strong private sector tourism experience. Therefore, in developing countries, the public sector is obliged to actively promote the development of tourism, not only in creating a legislative framework and policies, but also in investing and managing the tourism sector.

It should be added that Petrescu (2011), in his study, argued that the role of the state is central to the supervision and control of tourism activities, and in some situations even in its promotion. In addition, he

said that the public sector is helping to boost tourism, improving infrastructure development, encouraging private investment in building hotels, maintaining quality standards and protecting tourists from any threats.

Khan, Lee, Kwon (1995) and Akan (2008), in their research, argued that the rapid development of tourism in the world led to an increase in household incomes and government revenues directly and indirectly through multiplier effects, improving the balance of payments and provoking government tourism policy. As a result, the development of tourism, as a rule, is considered as a positive factor of economic growth.

Russian economists L.I.Grebennikov, L. Ledesky and L. S. Tarasevich, in their textbook "Macroeconomics," interpreted the investments as a narrower range of household long-term goods or individual housing expenses. In our opinion, this definition is rather limited, reflecting only a portion of the investment, more precisely, the proportion of public consumption. The second and most important part of the investment is associated with the expansion of the gross domestic product and the material and technical base of the service sector.

Professor G.K. Kudratov conducted a study of state policy in the field of tourism potential and development in Uzbekistan. The economist is an innovator in the development of tourism and the tourism industry, ensuring the rights of tourists, rational use of existing tourism resources, improving the regulatory framework in the industry, creating conditions for children, youth, disadvantaged people and tourism, showing the main directions of attracting policies, creating wide opportunities for personnel, business entities in the tourism market.

Economistscientist D.X.Aslanova tourism industry in her research argued about development priorities, namely globalization and its influence on the tourism market, Samarkand region, the reasons for the development of the tourism industry. According to the results of research by a scientist in the world, based on the intensification of the process of globalization and high technologies in the production of higher development of economic growth and the quality of life of the population of any country is a necessary condition for the growth of innovative activity.Innovative activity, in turn, depends on the economic and scientific potential of the state, its innovation policy and potential, as well as on the spiritual well-being of society. It is important that the development trend of the international market of tourism services, including in the field of innovative development, is of particular importance.

Researcher B.Sh.Safarov conducts research to improve the methodological and methodological foundations of the innovative development of the national tourism services market, studies the socio-economic essence of the concepts of tourism services in the country in the development of tourism, based on the needs of innovative development development of a model of tourist and recreational cluster. The main areas of research, as well as economic and organizational mechanisms to improve serious attention.

Conclusion

The general conclusion is that the extensive factors providing the necessary investment resources for the rapid development of tourism in Uzbekistan, one of the leading sectors of the national economy, are of limited importance. Consequently, the key role of the industry in meeting the needs and requirements of investments should be an intensive factor.

Economic growth is not only due to extensive or intensive factors. But one or several factors of the group can be achieved: "The extensive and intensive factors in real life are not separated from each other in their pure form, but in a certain harmony. That is why we are talking about more extreme and priority intensive economic growth". In modern conditions, the role and share of intensive factors in economic growth in conditions of acute shortage of investment resources in Uzbekistan are better. This proportion should be in favor of intensive factors in our attitude to our perception and calculations, that is, 25% of economic growth in tourism is extensive, and 75% is due to intensive factors. The fundamental and detailed description of these scientific results is reflected in our next research.

In our opinion, the most difficult and difficult part of the successful implementation of the Concept of successful implementation of the Concept of Transformation into one of the leading sectors of the national economy is the provision of investment resources. Our firm conclusion is that for any positive concept of economic development there are two basic conditions: the ability to realize the concept and the availability of financial resources for its implementation. Uzbekistan has enough tourism opportunities and favorable conditions for the rapid development of tourism. However, the issue of attracting the necessary investment resources to implement the concept of rapid development of tourism in the country is of paramount.

Importance In essence, we would like to state the following:

- The need to increase the tourist infrastructure (transport, social, engineering, information and communication, municipal) and its level over time;

- The quality of hotel services is not at the level of modern standards; the lack of highly qualified personnel, from effective management of the tourism industry, enterprises and organizations, as well as the elimination of all problems and errors in the process of their work;

- The lack of a coherent strategy for creating industries and achieving success in the travel services market.

Naturally, the elimination of the aforementioned disadvantages can be achieved by large investment costs. Accelerated development of tourism in Uzbekistan is associated with the construction of modern roads, the creation of airports, car halls, competitive transport, catering, souvenirs and antiques market, convenient accommodation, campgrounds, turbines and other tourist complexes. All this will increase the demand for investment resources.

In general, the growing need for a rapidly growing tourism industry creates favorable economic conditions in the country for active investment in this sector. In turn, the demand for investment resources is growing annually and rapidly.

Thus, the most important conditions for raising the role of investment in tourism in Uzbekistan are:

- Regularly study the market of tourist services in the region and take into account the overall socio-economic situation in each region;

- Active involvement of local authorities in information activities (coverage of tourist-recreational facilities of the territorial and administrative structure by mass media);

- The liberal administrative and taxation policies of the local and provincial governments that promote private investment initiatives;

- Antimonopoly and anticonstitutional policy aimed at supporting a healthy competitive environment among local authorities.

However, in addition to the aforementioned, investment issues in the tourism industry also have their distinctive features. These features, first of all, are due to the high risk of repayment of funds, as tourist flows (the duration of projects' self-timing directly depend on their size) can not be overestimated due to the socio-political situation in the country and region, the conjuncture of tourist services market and the smallest changes in other cases a cautious attitude. Taking into account these circumstances, the investment processes in this area require additional guarantees by regional and local authorities and administration.

- In the future, further attraction of foreign investments for the development of Uzbekistan's economy should be focused on the following scientific recommendations:

- Further liberalization of the economy, development of private property, small business and private entrepreneurship, expansion of export-oriented small and medium-sized enterprises and creation of necessary conditions for their effective functioning and resumption of their state support;

- Establishing and strengthening public oversight with local authorities and representatives of civil society institutions on timely implementation of government programs for the development of production and service infrastructure to attract foreign exchange investments (foreign direct investment) in remote areas;

- Finding ways to identify foreign investors, establishing a database of businesses and places of interest and attracting foreign investors to economically advantageous fields;

- Encourage the involvement of the RMS in the creation of more free economic zones, taking into account the nature of the sector and the economic development of the territories and their geographical location;

- The development of a complex of measures for the involvement of the GATT into the private sector and so on.

In sum, introduction of the above mentioned scientific proposals will have a positive impact on further intensification of the process of involvement of the CAC in our country. This will ultimately solve the problem of increasing the GDP of the country by 2 times by 2030 on the basis of technical and technologically continuous modernization of production, deep structural transformations in the economy, consistent continuation of modernization and diversification of the industry.

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element of
SUCCESS

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- Bill Gates
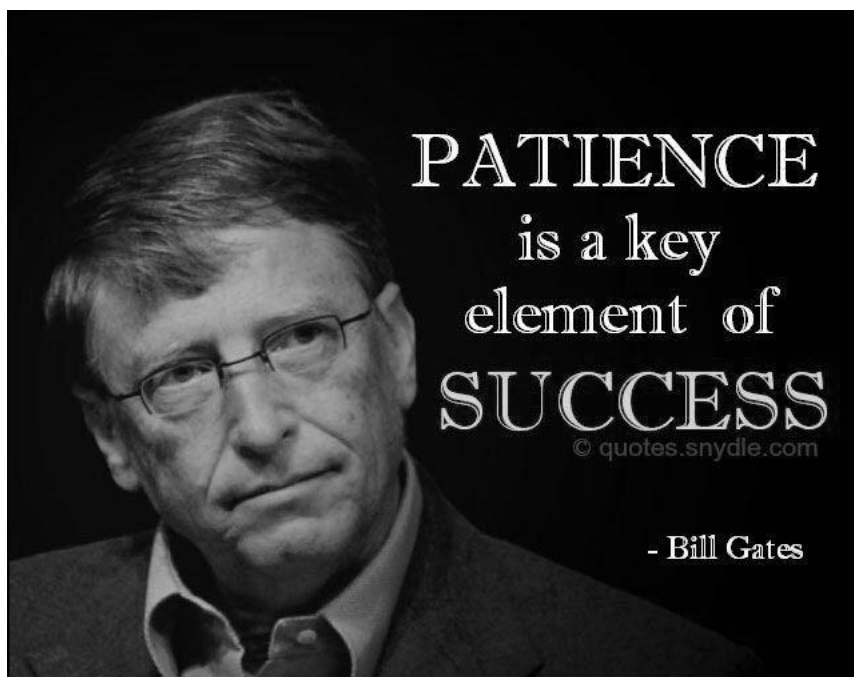
PRIVATE STRUCTURES OF EMPLOYMENT SERVICES: THE NATURE, CLASSIFICATION AND RECRUITMENT

AKMAL ABDUVALIYEVICH[1]

ABSTRACT

This article examines the conditions of service development, their classification, the main forms and forms of recruitment services, and recruiting agencies' personal selection and employment.

Keywords: *Labor Market Infrastructure, Labor Force Demand, Labor Supply, Government and Non-Governmental Employment, Recruiting Agency, Recruitment, Unemployment, Job Placement.*

Introduction

The formation of the labor market infrastructure depends on the performance of all its subsystems, including and from the organizational infrastructure.

The organizational infrastructure is a network of state and non-state organizations engaged in non-commercial and commercial labor intermediation in the labor market (universal labor exchanges, employment agencies, various training centers for vocational training and guidance).

Recall that employment is called non-commercial if the costs of providing such a service are financed from budget funds and / or extrabudgetary funds. In reality, the recipient of the services of non-commercial employment is not only the person who applied for assistance in finding employment, but also the enterprise for which the applicant has been employed. Thus, from a financial point of view, non-commercial employment services are a transfer of government to enterprises and households. In the case when the costs of finding a job are paid by the job seeker himself, we should talk about commercial employment. The legislation of the Republic of Uzbekistan does not contain a ban on such activities of firms that have state licenses for the provision of employment services [1].

The timely provision of production with human resources with the required characteristics is one of the main tasks facing the service personnel. As an external source of recruitment, companies can use professional intermediaries operating in the labor market to promote employment and job placement. Here and the State employment service and commercial labor exchanges and recruitment agencies. Employment agencies play a significant role in the labor market, playing the role of intermediaries between employers and employees [2].

Under the non-state structures refers to a network of recruitment agencies (recruitment agencies), commercial labor exchanges, exchanges on the Internet.

Unlike the state employment service, commercial ones pursue one goal in their economic activities - profit. Costs for creating a recruitment agency and its continued existence in the industry are relatively small. Many entrepreneurs paid attention to the recruitment market precisely because of low costs (where the largest expense is rental).

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Theoritical background

Commercial labor intermediation actively developed its activities in the segment of high-paying jobs, which were either at a profitable enterprise or demanded replacement by an employee with high professional qualification characteristics, which are not often found in the aggregate labor market offer. The solvency of a prosperous enterprise and a qualified employee for intermediary services has constituted the economic basis for the development of commercial labor intermediation (Lal, Suleimenov, Stewart, & Hansen, 2007; Turner & Freiermuth, 2017).

Recruitment agencies consider employing firms that apply to them for recruitment as their clients. Applicants, that is, applicants for agency vacancies, are not major customers. Thus, the orientation of recruitment agencies only on the client-employer is their main distinguishing feature in comparison with the state employment service. Commercial specialized labor exchanges, unlike recruitment agencies, are oriented both to employers and to job seekers [4].

According to foreign publications, about 5% of the unemployed find work through recruitment agencies abroad (particularly in the USA). According to experts of the CIS, in the CIS in 2017, this figure also amounted to 5 percent. Consequently, it is possible to speak about a rather large volume of the market of the services in question, when, for example, out of every 100 thousand unemployed 5 thousand people find work through recruiting agencies [6].

Recruitment is an entrepreneurial activity to create conditions for filling vacancies (job vacancies) at a company – customer (employer) by competent specialists who meet the professional qualification requirements of a customer. It is carried out through a set of organizational measures for the selection and selection of candidates from the external labor market (Bendini, 2013; Elo, 2016; Honig et al., 2004).

Recruitment as a type of entrepreneurship is quite young. Its origin is considered to be the United States, and the time of occurrence - the beginning of the 50s. In Europe, recruitment services appeared or stood out as a separate type of business in the 60s, mostly under the influence of American transnational corporations dominating the entire world economy.

Main part

The development of the recruitment services market is caused not only by the constant need for skilled workers, but also by the fact that since the mid-1950s, the process of extreme complication, globalization and business informatization has been gaining momentum in the developed countries; the introduction of the so-called "high technology", that is, the "post-industrial era", when the human factor receives the highest priority as a result of its decisive role in the ultimate success of any The company operates in the market. In addition, a qualified employee has a large number of alternative options for hiring at any one time, increasing professional and territorial mobility.

In the West, the first recruitment companies emerged through reorganization and separation from consulting and. audit firms of individual companies on the basis of the respective divisions, which in the course of carrying out their usual activities faced with some personnel problems of the customer and took up their permission. Thus, the "maturation" of recruitment agencies took place largely in parallel with the "maturation" of the customer. This significantly contributed to the rapid growth of recognition and professionalism of recruitment companies.

The classification of non-state employment structures is presented in Figure 1.

As the first criterion for the classification of recruitment agencies, we use the levels of the corporate hierarchy in the selection of personnel for which agencies specialize. There are two types of agencies:

- Universal agencies (selection of managers and specialists of the middle and lower level);

- Agencies for the selection of top managers (managers) - "executive search agency".

Universal agencies are agencies that declare their readiness to be engaged in the selection of virtually any level, but at the same time, as a rule, the emphasis is placed on the selection of workers for the lower and middle levels of the internal structure. If they limit the levels of posts for which they are recruiting, then, as a rule, from the bottom, excluding from their own sphere the selection of "blue collars".

Top management recruitment agencies. The selection of top managers has its own specifics, determined, on the one hand, by the fact that top managers are not inclined to look for work through agencies, and, on the other hand, by the fact that they are rarely out of work and therefore the selection is almost always coupled with the process of "enticing" them from an old company, which will impede its transition. This category of managers has in excess of the price for their company. In view of the fact that they are carriers of administrative and commercial information, they fundamentally affect the life of the company as a whole. Therefore, the selection of top managers is a conflict process in most cases that requires the full development of various skills from recruiters, all with full confidentiality(Dolliver, 2015; Ley, Krumpelt, Kumar, …, & 1996, n.d.).

Due to the complexity of this type of work, the selection of top managers is the highest paid in the field of recruitment.

The second classification criterion - recruitment firms are divided horizontally within the internal division of labor. This division is made on the basis of professional affiliation or field of activity of selected personnel. There are two types of agencies:

- Specialized agencies;

- Broad agencies.

Specialized agencies. The existence of specialized agencies for the professional affiliation of a selected specialist indicates that there is a developed and specialized market in a given country (region) with a qualified workforce. Agencies specialize in staff recruitment in a specific area: marketing, finance, information technology specialists, administrators, etc. Specialization has so far been poorly developed among Russian recruitment firms, in view of the fact that specialization means, above all, a narrowing of the client base. It is assumed at the same time that the quality of the services provided should increase and, accordingly, their cost. But in Russia this is not happening yet, that is, the right type of customers is not enough or / and they are not willing to pay for quality much more(Bobur & Alimova, 2017; Melvin, 2000).

Agencies wide profile. This category of agencies includes the majority of Russian recruitment agencies. At the same time, there is a positive trend - agencies are beginning to respond meaningfully to the question what kind of personnel they do not select. Thus, recruiters try to preserve their reputation by refusing to work in which they are not competent enough. This trend can be considered positive, suggesting that the labor market is acquiring civilized features.

Research discussions

The following classification criterion for recruitment companies - by types of employment served, is

distinguished:

- Agencies for temporary employment;

- Recruitment agencies for permanent employment.

Temporary employment agencies (staff leasing). This type of agency is booming in the world. It is predicted that this type of activity is a prototype of the labor market model in the future. The model of organizational development, in which companies will strive to transfer the maximum possible costs associated with the acquisition and development of intra-company resources, implies the rapid development of leasing and firms with operators on the temporary employment market open up the most promising prospects. The "race" of companies for cost reduction led to the fact that they got to the "sacred cow" - the so-called staff. Economic calculations and studies have shown that almost every category of full-time staff is fully working for the benefit of the company part of their working time. In view of this, the idea arose to define and clearly fix periods of active work in the employment contract, and to send workers to "free bread" during the rest of the time.

Realization of this is hampered by the following technical difficulties: how to ensure the appearance of a "free" employee at the workplace at the right time, how to legally oblige him to work with an adequate level of quality and productivity in the not quite "his" company, than to compensate for the inevitable staff turnover, how to prevent the leakage of commercial information, etc. That is, temporary hiring has rested on the impossibility for an employer to quickly find the right temporary workers, at the right time, in the right place, and as quickly get rid of them as soon as there is no need for the company with minimal financial and legal "costs".

Here the idea arose to replace the "flawed" recruiting by temporary employment by leasing staff. Recruitment companies arose that found and accepted in their staff persons who were ready to work in their specialty on a temporary basis. Employees, nominally their own employees, began to offer such companies "for rent" to interested employers. The advantages for the employer are that he gets the employee he needs and is not legally connected with him in any way. Under the contract, the agency is responsible for the work of the persons provided. The customer lists to the agency the agreed wages of the workers for the entire time they work for the company, plus relying social and pension contributions, plus commission agencies. All calculations with the personnel are made by the leasing company. Thus, the customer transfers the responsibility to the controlling bodies for temporary employees to the leasing company, and in case of any misunderstanding or bad faith on their part, he is able to recover damages from their nominal employer (leasing company). At the same time, it is legally easier to deal with one legal entity than with numerous individuals (employees)(Fangel, 1984; Zhao, Ritchie, & Echtner, 2011).

The next criterion for the classification of non-state structures is the payment of agency services. There are two types:

- Employment agencies;

- Recruitment and selection agencies (recruitment agencies).

Employment Agencies. This type of agency offers the public the following services: assistance in the preparation of resumes; psychological testing; entering information about the candidate in the database; posting a resume and / or mini-resume in the media and in the global Internet network, sending out a resume to companies; advising on job search methods, interviewing companies; career guidance; sending a candidate for an interview in the company; providing information about vacancies in the labor market (collections of

vacancies). All services are provided on a paid basis. When applying for a candidate, as a rule, a fee is taken from 30-100% of the salary after the first month of work in the company.

Recruitment and Recruitment Agencies. This type of agency offers recruitment and selection services for employers. In this case, the provision of services to the company - the customer.

The main goal of recruitment agencies is to select specialists for the work in the company that meet the requirements set by the employer. The main categories of citizens with whom recruitment agencies have to work are: heads of organizations, highly qualified specialists and successful employees, who, as a rule, are not unemployed and are ready to consider various ways of developing their own professional careers.

Results

In the conditions of the development of the innovation economy in our republic, in addition to the state employment assistance bodies as the organizational structures of the labor market, various specialized and universal commercial employment agencies also occupy an important place on the labor market: labor exchanges, training centers, and recruitment agencies. Non-state employment services, besides being engaged in labor mediation, as state employment services, have a number of areas in their activities that can be classified by type of labor mediation, by distribution of functions in the labor market, by criteria for selecting employees, by degree of specialization and stages, by scope of activities, as well as qualification and industry characteristics(Fallon, 2015; Kalpakjian & Schmid, 2014; Reisinger & Turner, 1998; Song & Lin, 2010; Stokes, 2008).

The recruitment process for recruitment agencies in the labor market can be described by the pyramid model (Fig. 2) [3]. The base of the pyramid is low-level vacancies (employment agency, staff leasing), the middle level is the selection of personnel for middle managers, the highest level is the selection of managers for executive positions and highly qualified personnel for the highest management level.
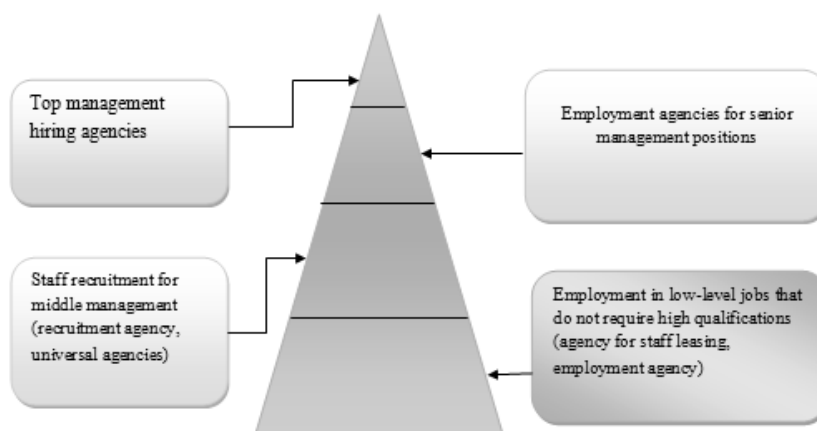
Fig. 1. Model of formation of recruitment services in the labor market

The implementation of joint cooperation in relation to state and non-state employment services, i.e. in the field of employee selection for specific job vacancies, targeted staff selection, job search for a specific specialist, employment of citizens in need of social protection and employment services are important

prerequisites and factors for the effective development of the labor market infrastructure.

However, the fact that, at the regional level, specialized labor exchanges functioning in different directions are not formed, explains that mutual cooperation between state and non-state employment services in this direction is not ensured.

The main search methods for candidates used by recruiting companies are:

Search on information databases;

Search through the placement of ads in the media;

- Use the method of "direct" search;

Search among graduates of educational institutions, institutions to improve the qualification, etc .;

- Search using various professional associations;

- Search through the use of personal connections;

- Search by using recommendations;

Search using the global Internet.

The basic tool for searching for candidates is searching for information databases of a recruitment company.

The main elements of organizing a system for storing and processing information about candidates are:

- Collection and receipt of information;

- Processing and sorting information;

- Organization of user access (recruiters) and security of information;

- Organizing the process of updating information about candidates;

- Elimination of duplication of information;

- Formation of the "legend" of the candidate;

- Organization of the process of preliminary selection of candidates from the information base.

Collecting and receiving information is the process of organizing information about employees, both those who are in the process of finding a job, and specialists who are interesting to customers.

Processing and sorting information is the process of structuring the information received. For example, in the AMT Consulting Group, the structuring of incoming information takes place according to three criteria: industry, candidate specialization, and job level management. This process is aimed at segmentation of applicants for a better and faster search for them.

The organization of user access and security of information - the process of granting various rights to access and use the database as - adding, deleting, changing, reading records (information) from the database, as well as a set of measures to prevent unauthorized access and copying of information
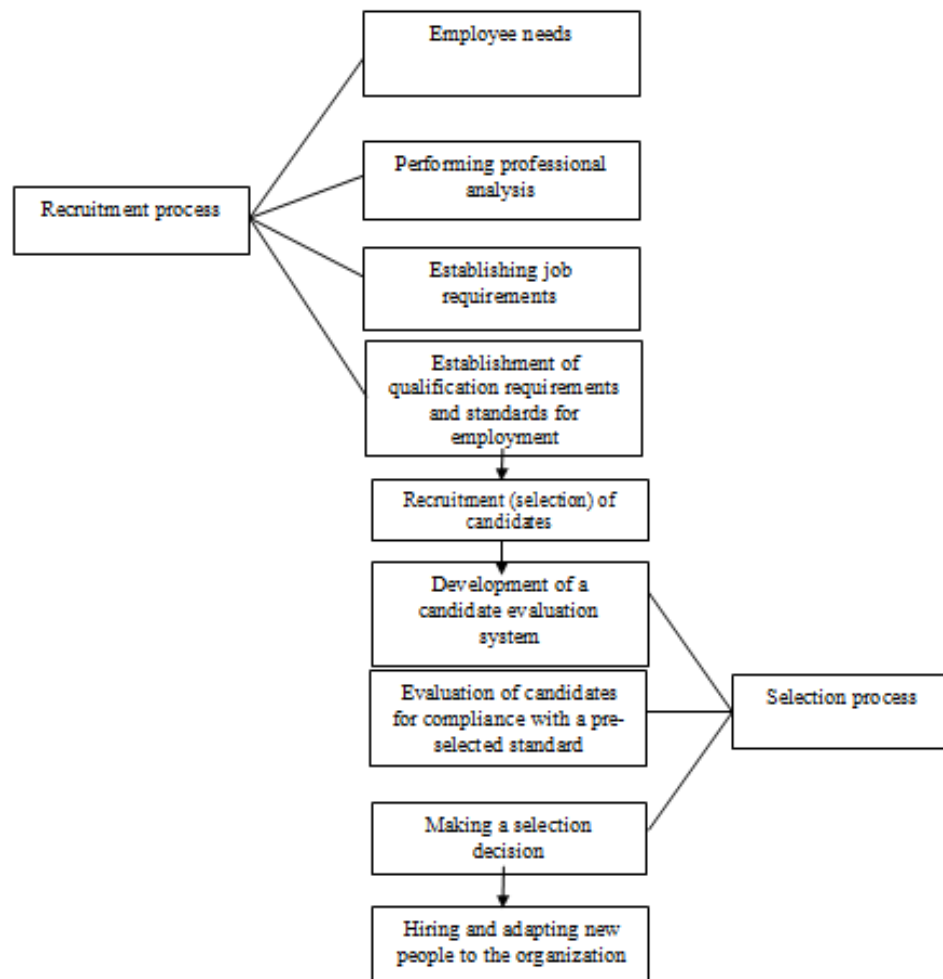
Fig. 2. The recruitment process

The organization of the process of updating information about candidates is the activity of tracking changes in the candidate's work history and storing relevant records in the database. The elimination of duplication of information is the process of tracking incoming information for the presence of information about a candidate in a database. Aimed at improving the efficiency of the database with company recruiters. The formation of a "legend" of a candidate is the process of entering information about contacts (interviews, etc.) with a candidate recruiters with a brief description of the subject of contact, date, place, topic of conversation and value judgments.

The organization of the process of pre-selection of candidates from the information database is aimed at creating conditions and opportunities for searching for candidates according to various criteria, recording the results of selected selections, as well as the formation of samples for specified positions [5].

The speed and quality of recruitment company recruitment depends largely on how optimized the technological scheme of the organization and the process of working with the information base.

Among the main methods of selecting potential candidates for a vacant position are: interviews; analysis of written documents (questionnaires, autobiographies, summaries, evaluation sheets); testing (psychological and professional); verification of recommendations; method "assessment center".

The use of a particular method of personnel selection is determined on the basis of its effectiveness, as well as the time and material costs of its implementation.

Recruitment information is data that is a guideline in selecting candidates for a vacant position and constitute a portrait of an ideal candidate. It contains: biography; education; vocational qualifications; experience; personal qualities; industry, companies, positions held by potential candidates; companies from which candidates are interesting and / or not interesting for hiring; "Seed questions" for the initial selection of candidates; motives of transition to work in a company - a client of potential candidates.

After the position description is compiled, a candidate search script (recruitment plan) and a work schedule are drawn up.

A recruitment plan is a detailed sequence of actions that must be taken to close a vacancy, indicating specific activities, deadlines and responsible for their implementation.

Preliminary List of Candidates (Long List) - a list of potential candidates who have passed the preliminary selection (as a rule, on the basis of "screening" questions", analysis of the candidate's documents and telephone negotiations) for a vacant position.

The final list of candidates (Short List) is a list of candidates who have been selected and provided by a recruitment firm to a client company from among candidates selected for a vacancy in accordance with the description of the position and requirements of the employer.

Resumes are the documented basic data of the biography, professional qualifications, work experience (companies, positions, tasks, functions, achievements) and personal qualities.

Discussions

A recruiter's report is a document that substantiates the candidate's suitability and suitability for a job. The conclusion demonstrates the following qualifications for the candidate's position: the candidate has the necessary qualifications, the candidate is ready to solve the upcoming work tasks, the personal goals of the candidate correspond to the opportunities afforded to him, and his character and behavior fit into the client's corporate culture. The conclusion is 1-2 pages and contains brief, clear theses and "key points" from the verification of recommendations and success at previous places of work.

The objectives of checking recommendations are: to substantiate the ability of a particular candidate to perform a specific job; check written and verbal information received from the candidate; get information about the success and achievements of the candidate. The check of recommendations includes a set of measures for: checking the actual information about education, qualifications, abilities, previous places of work, working hours, must, etc. collection of information about the personality and character of the candidate, as well as his strengths and weaknesses.

The specificity of determining the price of recruiters services is that the price of the service represents a certain percentage of the remuneration of the selected specialist. This method is convenient for the client and is historically developed. The client, focusing on its own staff recruitment budget, holds a tender among recruitment companies and concludes an agreement with the company that offers the complex of required

services within the budget.

Recruitment companies in formulating pricing policies for their own services have to rely on all the above methods: the lower level of the service price is the break-even point of the recruitment company, and the upper level is the maximum value of the service in the eyes of the company - the client expressed by the fee that she is willing to pay for the rendered services.

To improve the efficiency of the labor agencies of labor agencies, we propose the following measures:

- Create an Association of all recruiters, not just the most famous;

- To organize a professional community with uniform norms and rules of activity;

- Develop a training program for HR managers of customer firms and recruiting agencies.

Conclusion

On the basis of the conducted research and the obtained results, it can be concluded that further research should be carried out in the following directions:

- Further scientific search for theoretical and practical options for solving the problems of interaction between public and private employment structures;

- Development of methods for standardization and certification of activities of private employment structures, within the framework of the classification of organizations developed by the author;

- Improving the system for evaluating the performance of private employment structures;

- Development of methods of organizational development and improvement of private employment structures;

- Development of methods for assessing job seekers by private employment structures.

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GROWTH OF AGRO BASED INDUSTRIES IN KARNATAKA: AN ANALYSIS OF INVESTMENT DETERMINANTS

Dr. B. S. Patil[1], Hanumanth Mosalagi[2]

ABSTRACT

The contribution of agro based industries in providing rural employment in among the major sector. In the present economic environment, the growth of agro based industries reached a stage of stagnancy due to lack of investment in the sector. The investment in agro based industries is affected by many economics factors, which in turn affects the low employment generation particularly in rural area. However, agro-based industries contribute rural development and expansion of industrial activities. In the present paper the linkage between investment and its major determinants is been discussed. The investment in this sector leads to increased of industrial units, employment and industrial productivity in Karnataka

The study covers the growth from 1990-2000, 2000-10 and 2010-17 in three phases. The data required is obtained from the secondary sources. The study concludes that the growth of the Agro and allied sector largely depends upon the existence of sound financial infrastructure as a major determinant along with Telecommunication and Land allotment schemes by the govt.

Key Words: *Agro-Based Industries, Investment, Employment, Growth, Karnataka*

INTRODUCTION:

The Agriculture and allied sectors (Agro based industries) viz., Horticulture, Animal Husbandry, Fisheries, Food Processing in the State requires a special focus and thrust in view of their direct impact on the livelihood of the farming community of the State. The value addition to Agriculture, horticulture and other sector produce leads to extra income in the hands of farmer and also helps in boosting the economy of the State. With a view to integrate Agriculture and Allied Sectors and to create forward and backward linkages with industry, New Karnataka Agriculture business & Food Processing Policy was introduced in the year 2015 by the Government of Karnataka.

In Karnataka, about 3% of the total agro and allied produce is processed currently. The Ministry of Food Processing Industries, Govt. of India aims to achieve the food processing target of 25% by 2025 at the national level. In line with the National benchmark, the Karnataka Agriculture business & Food Processing Policy 2015 aims to achieve the target of 10% of agro processing by 2020 and 25% by 2025 in the State. This policy aims to develop Agriculture business and agro processing as a vibrant sector for creating employment opportunities and increasing the farm returns to farmers by value addition.

The agro based industries in the State are spread across all the 30 districts. Currently, there are about 54,905 agro processing units with an investment of Rs.4,42,879 Lakhs have employed 3,24,148 manpower at the time introducing Karnataka Agriculture business & Food Processing Policy. These are mainly in

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MSME sector. The State is home to big players such as ITC, Nestle, Gujarat Ambuja, Brittania, Parle, Cargill India etc., in the Agriculture business and food processing sector.

A well-developed Agriculture business and Food Processing sector with higher level of processing and value addition helps in the reduction of wastage, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome and nutritious food to the masses.

At the all India level Karnataka stands First in the production of coffee, Bengaluru Rose Onion, Sunflower, Gherkins, Arecanut, Capsicum, Green Chilli, Tamarind and Vanilla. Second in the production of Maize, Tur, Jowar, Tomato, Sapota, Grapes, Pomegranates, Pepper, Cut Flowers, Cucumber, Watermelon and Cloves. Third in the production of Sugarcane, Mango, Tobacco, Jackfruit, Onion, Dry Chillies, Cardamom, Cocoa, Coconut and Cinnamon. Fourth in the production of Bengalgram, Papaya, Carrot, Turmeric and Cashew nut. Fifth in the production of Groundnut, Soyabean, Banana, Lime/Lemon and Sweet Orange. The State is also one of the leading producer of Milk, Ginger, Marine Fish, Garlic, Eggs, Guava etc.

Further, Agriculture business & Food Processing Sector in the State has witnessed a steady growth. Exports have increased from Rs.5158 crore in 2010-11 to Rs.11231 crore in 2014-15 registering a Compounded Annual Growth Rate (CAGR) of 21%.

REVIEW OF LITERATURE:

The major studies attempted to find out the investment environment in agro based industries are been reviewed to find familiarity with the factors influencing investment.

Gupta and George (1974) have stated in study "Modernization of rice processing industry in Punjab", that the fixed cost per mill increased with the increase in the size of the mill. The fixed cost was higher for modern mill than for traditional mill. The average variable cost for all the mills together was Rs.2.33 per quintal of the paddy mill. And also emphasized that the average cost curve was „U" shaped curve where unit cost declined as the volume increased to a certain volume level and then it increased. Further, the fixed cost per tonne declined as the capacity increased from half tonne to one tonne. They also stated that the efficient mill is one which gives maximum returns per quintal of the paddy milled.

T.S. Devraja (2009) has analyzed the various estimate of processing units in 2007-2008 as : atta chakkis and small hammer mills- 2, 70,000, rice hullers- 90,000, rice shellers 11,000, huller-cum-shellers – 12,000, modern rice mils- 30,000, bullock and electricity operated oil ghannis-2,00,000, ol expellers-55,000, dhal mills -12,000, roller cum flour mills – 700, rice flaking and puffing units – 2,000, bakery units – 54,000, solvent extraction plans – 700, vanaspati plants-100, fruits and vegetable processing plants – 5,000, dairy plants – 450, cold storatge units – 3,000, licensed units in the organised sector for meat processing- 165, pork processing units -144, fish processing units -18 and so on.

G.C. Kar and S.N. Mishra has stressed that setting industries which make use the producers of Agriculture directly or indirectly are considered more desirable in the context of the economic development of the country. Such a development has a two way effect i.e. Agriculture helps agro-related industries to make use of the raw materials directly supplied by this sector and it facilitates the growth of those types of industries which produce several inputs like fertilizer, pesticides and Agriculture implements that help to promote the productivity and expansion of Agriculture.

Myint (1971) has emphasized that the logic of developing agro-based industries by not well to-do developing countries on the premise that the export potentiality of processed Agricultural product is much brighter than the raw products. The slow growth of agro based industries in most less developed countries is due to the poor terms of trade for their agricultural products in the world trade. Processed labour cost involved in processing the raw products in the developing countries.

Bhagran Sarangi has expressed that the strategy for the development of agro based industry in the Indian context would comprise the following: The growth & expansion of agro industries form an inseparable part of the overall programme for economic & industrial development. The related groups of agro industries have to be set up in a co-ordinated manner so that the utilization of by-products can be possible simultaneously. Advanced management and marketing methods need to be introduced in agro☐ industries which cater to the export market. Both backward and forward linkages are to be ensured in respect agro industries so that maximum growth impulses are generated. Suitable strategies have to be formulated to promote rural savings and ploughing them in rural areas for productive investments through attractive deposit and credit instruments. Extension & dissemination of information through mass media, technology development, research activities and training programmes need to be improved.

The literature reviewed above suggests that there are various factors influence investment in agro based industries. But most of the studies failed to provide the base for the linkages between investment and factors influencing the investment in agro based industries.

OBJECTIVES OF THE STUDY:

The core objective of the study is to find out the linkages between various factors influencing investment in Agro based industries in Karnataka during the period 1990-2000, 2000-10 and 2010-17.

METHODOLOGY:

The secondary is collected through various sources of published literature. The data relating to the performance of various factors that influence investment are been used for conducting linear regression analysis. The dependent variable is the Investment in the sector and the indicators have been taken as the independent variables.

Bhagran Sarangi The unstandardized regression coefficients were used in developing the regression model. The regression model is given by,

$$y = a + b_1 x_1 + b_2 x_2 + \ldots\ldots\ldots + b_n x_n + \text{Standard Error}$$

Where y = dependent variable

$b_1, b_2, ..b_n$ = regression coefficients

$x_1, x_2, .. x_n$ = independent variables

RESULTS AND DISCUSSIONS

Table 1: **Factors influencing Investment in Agro Based Industries and the Supporting Economic Indicators during 1991-2000 (R2 = 0.824)**

Year	Investments in Rs. Crores	(1) Land Allotment in acres	(2) Electricity Generation in MW	(3) Telephone Connections (in '000)	(4) All roads in Kms	(5) No. of Motor Vehicles (in '000)	(6) No. Water Supply Schemes Commissioned	(7) Skill Development Programmes (No. of persons trained)	(8) Total no. of Banking Institutions
1990-91	114.27	512.34	2984.60	335	130923	1432.80	8	9347	4273
1991-92	252.32	526.54	3013.60	375	134592	1582.10	11	21625	4284
1992-93	196.11	685.58	3108.50	434	134592	1718.40	15	42834	4325
1993-94	562.66	591.45	3264.67	508	134832	1875.60	10	25614	4347
1994-95	852.06	827.32	3474.71	644	135104	2014.10	4	25225	4395
1995-96	771.06	879.59	3509.74	784	137520	2249.90	4	39622	4444
1996-97	566.08	1827.39	3538.54	973	137520	2534.40	6	25412	4991
1997-98	48484.18	931.38	3437.40	1228	142801	2804.40	17	32756	4559
1998-99	54668.07	410.38	4052.25	1465	144846	3066.20	24	31099	4627
1999-00	1961.93	467.12	4440.14	2254	148589	3351.08	15	20861	4674

Source: Secondary data

Table 1 gives the investment in crores of rupees in the Agro & Allied Sector in Karnataka during 1990-2000. The economic indicators influencing the Investment in Agro & Allied sector is also given in the table.

After substituting the values, the final regression model is given by,

The Regression Model:

$Investment\ Made\ (in\ Rs.Crores)$
$= -6958.53 + \mathbf{1.109}(Land\ Allotment\ for\ the\ Sector\ in\ Acres)$
$+ \mathbf{1.669}(Power\ Generation\ in\ Mega\ Watts)$
$+ \mathbf{0.503}(Telecommunication\ Facilities\ in\ thousand\ Nos.) + \mathbf{0.097}(Roads\ in\ Kms.)$
$- 1.165(Transportation\ Vehicles\ under\ different\ categories\ in\ thousand\ Nos.)$
$- 12.285(Water\ Supply\ Schemes\ Commissioned\ in\ Nos.)$
$- 0.007(Skill\ Developemnt\ Programmes\ for\ No.of\ Persons)$
$- 2.199(Financial\ Infra\ like\ Banks, Institutions, Cooperative\ Soceities\ in\ Nos. + 219.$

From the above regression model, it is observed that the major indicators which influenced the investments in Agriculture & Allied sector are Land allotment for the sector in the state, power generation, Telecommunication facilities and, Roads in Kms. The R2, which is nothing but the coefficient of determination is 0.824. This indicates that around 82.4% of the investments in the Agriculture & Allied sector were because of four indicators, viz, Land allotment for the sector in the state, power generation, Telecommunication facilities and, Roads in Kms. As these indicators are measured by using different units of measurement, it is always good to compare standardised coefficients instead of unstandardized

Coefficients. The table 2 gives the standardised coefficients of the indicators along with their relative standardised coefficients.

Table 2: Relative Contribution of Economic Indicators in Attracting Investment in Agro Based Industries during 1991-2000

Economic Indicators	t Statistic	Standardized Coefficients (Beta)
(Constant)	-0.359	
Power Generation (in Mega Watts)	*1.139*	*1.465*
Roads (in Kms)	*0.670*	*1.017*
Land Allotment for the Sector (in Acres)	*0.637*	*0.877*
Telecommunication Facilities (in '000 Nos.)	*0.498*	*0.582*
Skill Development Programme - No of Persons	-0.386	-0.135
Water Supply Schemes Commissioned (in Nos.)	-0.256	-0.150
Financial Infrastructure (Banks, Institutions, Co-Op Societies) (Nos.)	-0.702	-0.946
Transportation Vehicles under different categories (in '000 Nos.)	-1.084	-1.456

Source: Secondary data

From table 2, at 5% significant level, it is seen that *Power Generation* in the state has maximum contribution with beta value of 1.465. The second contributor is *Roads in Kms* with beta value of 1.017. The other two indicators contributing to the investment in

Agriculture & Allied sector are *Land allotment for the sector*, and *Telecommunication facilities*. The other indicators who have insignificant contributions are *Skill development programmes, Water Supply schemes commissioned, Financial infrastructure,* and *total number of transportation vehicles in the state.*

Table 3: Factors influencing Investment in Agro based industries and the Supporting Economic Indicators during 2001-2010 (R^2 = 0.998)

Year	Investments in Rs. Crores	(1) Land Allotment in acres	(2) Electricity Generation in MW	(3) Telephone Connections (in '000)	(4) All roads in Kms	(5) No. of Motor Vehicles (in '000)	(6) No. of Water Supply Schemes Commissioned	(7) Skill Development Programmes (No. of persons trained)	(8) Total no. of Banking Institutions
2000-01	866.68	612.19	4525.14	2257.00	154204	3691.50	11	17628	4718
2001-02	371.44	390.63	4749.46	2592.00	154204	4402.60	14	15765	4709
2002-03	453.02	356.20	5133.48	2753.00	154204	5045.57	25	2968	4704
2003-04	619.72	429.31	5324.65	2752.00	154204	5519.62	28	663	4751
2004-05	889.96	814.82	5726.74	2785.00	175901	5435.62	12	800	4828
2005-06	1821.51	1135.48	6278.46	2534.00	209014	6220.37	15	940	4962
2006-07	3923.93	1702.23	6562.20	2381.33	215849	6939.71	7	392	5099
2007-08	3621.93	2157.35	5906.48	2610.30	228038	7333.43	10	1248	5280
2008-09	2037.90	2580.07	8424.48	2326.50	228038	8025.15	19	2295	5571
2009-10	3789.05	1705.08	8584.66	2187.80	231032	9043.00	7	679	5790

Regression Model:

$Investment\ Made\ (in\ Rs.Crores)$
$= 27263.89 + \mathbf{0.666}(Land\ Allotment\ for\ the\ Sector\ in\ Acres)$
$- 0.998\ (Power\ Generation\ in\ Mega\ Watts)$
$- 3.906\ (Telecommunication\ Facilities\ in\ thousand\ Nos.) + \mathbf{0.013}\ (Roads\ in\ Kms.)$
$+ \mathbf{1.806}\ (Transportation\ Vehicles\ under\ different\ categories\ in\ thousand\ Nos.)$
$- 72.953\ (Water\ Supply\ Schemes\ Commissioned\ in\ Nos.)$
$- 0.045(Skill\ Developemnt\ Programmes\ for\ No.of\ Persons)$
$- 3.514\ (Financial\ Infra\ like\ Banks, Institutions, Cooperative\ Soceities\ in\ Nos. + 219.73$

From the above regression model, during 2000-2010, it is observed that the major indicators which influenced the investments in Agriculture & Allied sector are Transportation Vehicles under different categories, Land Allotment for the Sector in Acres and, Roads in Kms.. The R2, which is nothing but the coefficient of determination is 0.998. This indicates that around 99.8% of the investments in the Agriculture & Allied sector were because of these three indicators, viz, Transportation Vehicles under different categories, Land Allotment for the Sector in Acres and, Roads in Kms. Because, these indicators are measured by using different units of measurement, it is always good to compare standardised coefficients instead of unstandardized Coefficients. The table 4.1b gives the standardised coefficients of the indicators along with their relative standardised coefficients.

Table 4: Relative Contribution of Economic Indicators in Attracting Investment in Agro Based Industries during 2001-2010

Challenges / Indicators	t Statistic	Standardized Coefficients (Beta)
(Constant)	4.205	
Transportation Vehicles under different categories (in '000 Nos.)	*4.599*	*2.090*
Land Allotment for the Sector (in Acres)	*2.229*	*0.386*
Skill Development Programme - No of Persons	-1.268	-0.205
Roads (in Kms)	-1.181	-0.323
Water Supply Schemes Commissioned (in Nos.)	-4.185	-0.363
Telecommunication Facilities (in '000 Nos.)	-5.553	-0.590
Financial Infrastructure (Banks, Institutions, Co-Op Societies) (Nos.)	-2.326	-0.948
Power Generation (in Mega Watts)	-5.271	-0.972

Source: Secondary data

From table 4, at 5% significant level, it is seen that *Transportation Vehicles under different categories (in '000 Nos.)* in the state has maximum contribution with beta value of 2.090. The second major contributor is *Land Allotment for the Sector (in Acres)* with beta value of 0.386.

Table 5: **Factors influencing Investment in Agro based industries and the Supporting Economic Indicators during 2011-2017 (R2 = 0.920)**

Year	Investments in Rs. Crores	(1) Land Allotment in acres	(2) Electricity Generation in MW	(3) Telephone Connections (in '000)	(4) All roads in Kms	(5) No. of Motor Vehicles (in '000)	(6) No. of Water Supply Schemes Commissioned	(7) Skill Development Programmes (No. of persons trained)	(8) Total no. of Banking Institutions
2010-11	3849.54	1724.19	9699.56	2040.40	231032	9930	10	255	7268
2011-12	3233.30	939.06	12051.00	1951.80	231997	10909	11	451	7885
2012-13	4356.19	1172.26	13934.00	1670.30	231997	11393	8	641	8430
2013-14	2550.52	521.37	14324.00	1535.90	231922	13265	4	4920	9366
2014-15	4459.99	528.29	14616.00	1389.10	240131	14709	7	484	10074
2015-16	6470.60	924.29	15533.00	1294.70	239974	16208	12	1386	10502
2016-17	7836.40	2830.00	13336.86	2500.77	253451	17350	5	6696	8522

Source: Secondary data

Regression Model:

$Investment\ Made\ (in\ Rs.\ Crores)$

$= 129888.67 + \mathbf{3.431}(Land\ Allotment\ to\ Agro\ based\ Industries)$

$- 0.361\ (Power\ Generation\ in\ Mega\ Watts)$

$+ \mathbf{12.341}(Telecommunication\ Facilities\ in\ thousand\ Nos.) - 0.928(Roads\ in\ Kms.)$

$- 0.442(Transportation\ Vehicles\ under\ different\ categories\ in\ thousand\ Nos.)$

$+ \mathbf{6.642}(Water\ Supply\ Schemes\ Commissioned\ in\ Nos.)$

$- 1.239(Skill\ Developemnt\ Programmes\ for\ No.of\ Persons)$

$+ \mathbf{9.009}\ (Financial\ Infra\ like\ Banks, Institutions, Cooperative\ Societies\ in\ Nos.) + 471.58$

From the above regression model, during 2010-2017, it is observed that the major indicators which influenced the investments in Agro based industries sector are Telecommunication Facilities in thousand Nos., Financial Infra like Banks, Institutions, Cooperative Societies in Nos., and, Roads in Kms. Water Supply Schemes Commissioned in Nos., and Land Allotment for the Sector in Acres. The R2, which is nothing but the coefficient of determination is 0.920. This indicates that around 92% of the investments in the Agro based industries were because of these four major indicators. And also, as these indicators are measured by using different units of measurement, it is always good to compare standardised coefficients instead of unstandardized Coefficients. The table 6 gives the standardised coefficients of the indicators along with their relative standardised coefficients.

***Table 6:* Relative Contribution of Economic Indicators in Attracting Investment in Agro Based Industries during 2011-2017**

Challenges / Indicators	t Statistic	Standardized Coefficients (Beta)
(Constant)	2.840	-
Financial Infrastructure (Banks, Institutions, Co-Op Societies) (Nos.)	*2.187*	*5.238*
Telecommunication Facilities (in '000 Nos.)	*2.081*	*3.827*
Land Allotment for the Sector (in Acres)	*2.779*	*1.421*
Water Supply Schemes Commissioned (in Nos.)	*0.063*	*0.010*
Power Generation (in Mega Watts)	-1.094	-0.370
Transportation Vehicles under different categories (in '000 Nos.)	-0.656	-0.666
Skill Development Programme - No of Persons	-2.463	-4.659
Roads (in Kms)	-2.795	-8.739

Source: Secondary data

From table 6, at 5% significant level, it is seen that *Financial Infrastructure* in the state has maximum contribution with beta value of 5.238. The second contributor is *Telecommunication Facilities* with beta value of 3.827. The other two indicators contributing to the investment in agro based industries are *Land allotment for the sector*, and *Telecommunication facilities* with beta values 1.421 and 0.010 respectively.

CONCLUSIONS AND SUGGESTIONS:

It was found in the study that during the study period Agro & Allied sector was highly influenced by the financial infrastructure, power generation, road, transport, availability of land. But during the period 2000-10 the crucial power and financial infrastructure were the major setback for the growth of Agro and allied sector. The Agriculture, Business & Food Processing Policies must focus on such crucial elements. The overall situation also indicate that the policy needs to be diverted towards the other crucial elements such as water supply, land acquisition and allotment, skill development which are again the major factors contribute to the sustained growth of agro based industries in Karnataka.

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THE MEASUREMENT, ANALYSIS AND ESTIMATION OF HOTEL SERVICES COMPETITIVENESS

N. Usmanova[1]

ABSTRACT

This paper investigates major points of the deployment in the measurement, analysis and estimation of hotel services attractiveness. On this case, research conducts investigations on the estimation of hotel service effectiveness while making comparisons on different points as the whole.

***Keywords :** Measurement, Analyses, Estimation, Hotel services, Competitiveness, Uzbekistan*

Introduction

The hospitality industry in Uzbekistan operates in conditions of emerging market. As well expands influence of the market forces requiring increase of competitiveness and satisfaction of consumers, supporting prosperity for an enterprise, its workers and owners(and & 2018, n.d.; Manhas, Kour, & Bhagata, 2014; Turner & Freiermuth, 2017).

Defining the future development of the hospitality industry will be:

- Effective management based on good marketing, providing necessary conditions for produce and sale of products and services;

- Introduction of the quality system, allowing to ensure competitiveness and profitability of an enterprise.

Management of servicing processes in a hotel has a number of important peculiarities. Firstly, a consumer usually is present at process of servicing, i.e. has a close contact or interaction with a service maker, rather than in fields of goods production. Secondly, in the field of service is required a high level of individual work according to consumer's demands. Thirdly, in servicing the labour expenses may be compared only with the expenses for qualified staff in production of goods.

These three factors do servicing management in hospitality industry quite difficult at the point of support its efficiency. Actually, as high the level of interaction with a consumer, so and high the individualization of service, and as much the process of work, so is difficult to meet its high economic efficiency and quality.

Conditions in which hospitality industry are working, complicate to define the efficiency of servicing process, at the same time there are number of methods which allow to solve this problem. These methods are directed to grow competitiveness by entering into the service management a quality system.

Today many heads of hotels understand that for increase of lodging and profitability of their enterprises it is necessary to introduce a complex of quality and control systems. At the same time, practice shows that the only presence in a hotel of technical conditions for servicing (cosy numbers, public premises, hi-tech equipment, etc.) does not guarantee quality of service and stable income.

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Today, it is necessary to consider quality of service as a major field of hotel business. Quality support is understood as a process of formation the necessary components and characteristics of service, capable to satisfy or anticipate consumer's expectation(Pierce & Goldstein, 2016; Radnor Zoe (School of Business and Economics, Loughborough University, Loughborough & O'Mahoney (Cardiff Business School, Cardiff University, Cardiff, 2013; Scheyvens, 2011).

Therefore crucial importance in servicing takes functional quality, i.e. ability of hotel staff to achieve satisfaction of a client with a rendered service by its faultless work.

Main part

Orientation of the hotels to achieve a consumer oriented marketing leads to more refined forms and competitive methods whereas the price competition is superseded by the quality and service competition.

As it is known, competitiveness means:

- Ability of an entity or service system actually or potentially satisfy the actual demand in comparison with a similar service existing in the given market;

- Ability to meet competition in comparison with other entities in the existing market;

- Maximal formation of competitive advantages, exceptional consumer oriented services distinct from other companies.

There are three basic directions of analysis and estimation of competitiveness in hospitality industry.

The first direction is estimation of competitiveness on the basis of financial results of an enterprise which can disclose a certain number of integrated indicators (market share; volume and dynamics of sale; income/profit for the number of years; number of introduced new services, etc.) or the developed system of indicators disclosing a certain field and characteristics of competitiveness, as well as factors influencing it, possibility for well-founded forecasting of an enterprise competitiveness.

The second direction is factorial approach to analysis and estimation of competitiveness, assuming not only display of a certain set of indicators, or differentiating competitiveness of the whole enterprise (in comparison with other companies), but disclosing characteristics of these differing indicators as the special forces (factors) influencing to competitiveness. Each factor possesses only the inherent features, a certain force and manner of influence to competitiveness of an enterprise, which, however, may change. For example, the innovative factor, as it is known, has a crucial importance for the hotel business.

Owing to the told, the factorial approach is especially valuable for analysis and estimation of competitiveness, in the respect that it allows revealing not only the definite forces influencing to competitiveness or just actually involved, but also to disclose their full potential.

The third direction is estimation the nature of influence to competitiveness, i.e. estimation of intentions, strategic programs and plans of an enterprise as well as efficiency of their adoption. The radical solution of competitiveness problem (at considerable lag in this respect from other companies) requires quite a long period - from 5 till 10 years and more at enterprise level. Therefore it is evident the importance of accepted strategic decisions in the field of competitiveness, necessity of analysis and estimation of accepted decisions, both - own and other companies', and estimation a probable degree of their influence to competitiveness of a hotel.

Usage of strategic factor for solution of competitiveness problem by the various enterprises assumes competition of their strategy and purposes, as well as means and methods of their achievement.

At the analysis of competitiveness, carried out in the first and second directions prevailing one is the economic-statistical method, which in certain cases can be proved by economic-mathematical analysis (at revealing character of interaction between two or more factors), mainly by means of multidimensional statistics (correlative regression analysis, factorial analysis and the key components analysis)(Bloom, Canning, & Chan, 2006; Hornidge et al., 2011; Stansfield, 1987; Wood, 1998).

Data analyses

At the analysis of competitiveness, carried out in the third direction, prevailing one is the method of expert estimation, which does not exclude possibility of use the other methods of estimation and analysis, because, firstly, the analysis and estimation of strategic decisions as a directing factor of influence to competitiveness are very difficult for the reason that it is hard to display the process of such influence, and secondly, such influence poorly lets to make a quantitative estimation what complicates comparison.

Let's consider some methods of estimation competitiveness of a hotel.

I. The estimation of competitiveness of objects

The estimation of competitiveness of objects is defined on the basis of an expert estimation. The qualitative information on object which we receive as a result of the marketing research, including information analysis and interrogation of clients are necessary for measurement of competitiveness.

For solution of this task it is necessary to fill-in the table and:

- To define quality indicators, having established on what characteristics of services are oriented consumers;

- To calculate the average indicators of quality, having defined what characteristics of service consumers consider as a most important;

- To estimate indicators of quality for services, having made a rating of services of other competitors on the established indicators of quality;

- To reveal preferences between a price and quality, having defined the combination of price and quality mostly preferred by consumers.

As an example for illustration the described method of competitiveness estimation, we take 4 competing hotels in Samarkand (source information for 2007-2009). As the experts were teachers and some clients, taken services in competing hotels (tab.1).

Table 1 : Estimation of competitiveness of the competing hotels

Measure of significance %	Quality rating	Competitor hotels			
		Orient Star	Tumaris	Shark	Furkat
35	Service	6	5	4	6
25	Constancy	6	6	3	4
20	Reliability	5	3	2	5
15	Conformity	5	3	5	1
5	Quickness of confirmation	2	5	5	5
-	Average weighted estimation	5,5	4,6	3,7	4,3
	Actual price in USD	45	65	80	60
	Market share in %	30	18	32	20

The analysis of the above-stated data shows that a synthetic indicator of competitiveness is a market share, taken by the hotel which is proved by the average weighted estimation of the service quality. Though for the "A" competitor the average estimation of the service quality is the highest, and probably, it does not correspond to the price, which the hotel established for a number.

II. The method of definition hotel competitiveness

For this purpose it is necessary to form an expert group from highly skilled experts in number not less than 5 persons.

Table 2 : Estimation of service competitiveness in a certain hotel

(On example of "Orient Star" hotel)

Expert	Experts estimation			
	Quality of service	Price of service	Amicability of staff	Operational expenses
1. Head of hotel	3	3	4	3
2. Marketing manager	4	3	4	4
3. Quality manager	4	3	4	4
4. Unit manager	3	3	3	3
5. Economist	4	4	4	3
Sum of scores	18	16	19	17
Average score	3,6	3,2	3,8	3,4

It is carried preparatory works including edition of the order on organization of competitiveness estimation, acquaintance with a technique of competitiveness management, gathering and processing the source data for estimation. Then it is formed the system of scores including factors for estimation of competitiveness, sum of scores and weightiness of factors.

The system of scores establishes that the expert can appropriate for each factor of competitiveness from 1 to 5 scores. Weightiness of factors is equal to 4 of 5 for the quality of service, 3 of 5 for the service price, 2 of 5 for the amicability of staff and 1 of 5 for the operational expenses.

Competitiveness of hotel service is calculated by the following formula:

$$C_y = \frac{(\sum E_{ij})/n}{Q_{max}} * a_j$$

Whereas: Cy — competitiveness of hotel service (value fluctuate from 2 to 10)

n – number of experts;

E_{ij} — evaluation of i–expert j–service competitiveness factor;

a_j— weightiness of j–factor (from 4 to 1);

Q_{max} — factor maximal score – 5.

Calculation of hotel service competitiveness at example of "Orient Star" hotel makes 7 scores. Thus, the expert estimation of competitiveness of the hotel makes 7 scores from 10, i.e. the hotel has a considerable reserve (30 %) to increase competitiveness in all directions.

III. Mathematical-statistical methods of analysis and estimation of hotel service competitiveness

Often in practice it is required the economic analysis to reveal a degree of mutual influence of investigated factors. One of the methods used for this purpose is a correlation analysis. The correlation analysis is applied for a quantitative estimation of interrelation between the two data sets presented in a dimensionless form.

Table 3

Hotels	Quality rating						
	X1	X2	X3	X4	X5	X6	X7
	Service	Constancy	Reliability	Conformity	Quickness of confirmation	Actual price in USD	Market share in %
Orient Star	6	6	5	5	2	45	4.3
Dilshoda	5	6	3	3	5	40	4,5

Samarkand Plaza	4	3	2	5	5	70	4,3
Alijon	6	4	5	1	5	40	2,7
Tumaris	5	4	4	2	4	65	3,6
Jonni	6	4	5	3	5	30	2,5
Antika	5	3	5	4	4	40	2,2
City	5	5	5	5	4	50	1,9
Sitora	6	4	4	6	5	40	3,1
Shark	6	6	3	3	5	80	5,9
Furkat	3	6	5	4	4	60	5,4
Al-Bukhariy	4	3	2	3	6	30	2,4
Temur the Great	3	3	3	4	4	30	2,1
Giza	3	4	2	3	3	30	1,5

There are number of software products for carrying out the correlative analysis: SPSS, Statistica, EXCEL, etc. More detailed description of work with this function is presented in the help section of the above named programs.

In a general view the correlation coefficient can be calculated by Pirson's following formula:

$$r = \frac{n\left(\sum XY\right) - \left(\sum X\right)\left(\sum Y\right)}{\sqrt{\left[n\sum X^2 - \left(\sum X\right)^2\right]\left[n\sum Y^2 - \left(\sum Y\right)^2\right]}},$$

Whereas   X, Y – dimension parameter,

n – field length,

r – sought correlation coefficient.

It is expedient to present results of the correlation analysis in the table form. At carrying out the correlative analysis it is important to use not only gathered data (correlation factors), but also to give a reasonable proof of the achieved results.

In the table 4 are presented the pair coefficients of correlation for investigated factors: quality of service, constancy, reliability, conformity, quickness of confirmation, actual price, and a market share.

Table 4

-	Service	Constancy	Reliability	Conformity	Quickness of confirmation	Actual price in USD	Market share in %
Service	1,00	<u>0,52</u>	<u>0,99</u>	-0,45	-0,52	<u>0,86</u>	-0,23
Constancy	<u>0,52</u>	1,00	0,41	0,06	-0,56	<u>0,76</u>	<u>0,70</u>
Reliability	0,99	0,41	1,00	-0,41	-0,56	<u>0,84</u>	-0,36
Conformity	-0,45	0,06	-0,41	1,00	-0,52	0,02	0,32
Quickness of confirmation	-0,52	-0,56	-0,56	-0,52	1,00	-0,84	-0,09
Actual price in USD	<u>0,86</u>	<u>0,76</u>	<u>0,84</u>	0,02	-0,84	1,00	0,11
Market share in %	-0,23	<u>0,70</u>	-0,36	0,32	-0,09	0,11	1,00

The underlined figures show the presence of essential correlation between the factors investigated in pairs. In such cases the correlation coefficient is within the scope of 0,5 and 1. If the coefficient of correlation is less then 0,5 it is considered that the correlation between these pair signs is weak.

The sign "minus" shows to inverse correlation between the factors: at process of increase in value of the first factor value of the second decreases.

The presented factors of competitiveness can be divided into "incoming" and "outcoming". The following factors concern to the "incoming" factors: quality of service, constancy, reliability, conformity, quickness of confirmation, and price. These factors are under direct control of the managing bodies of the hotel.

At the background of the listed above indicators the market share is resultant, or "outgoing", factor. The hotel management cannot change the market share of the enterprise directly as it achievable in case of price or quality of service. However improvement of quality of service, reduction of prices and other actions for improvement of "incoming" factors, as practice shows, promote growth of the "outcoming" factor - a market share(Holme, L & Watts, 1999; Kringos, Boerma, & Pellny, 2009; Lal, Suleimenov, Stewart, & Hansen, 2007).

The correlative analysis of competitiveness factors of the hotels "A" and «D» allows coming to the following conclusions:

1. Influence of any separately taken factor on result (in the given case a market share), as a rule, insignificant, what is proved by the shown correlation coefficients in the table line «market share in %». For the majority of indicators value of the correlation coefficients became less than 0,5 what refers to their weak relation with the result (a market share).

2. The greatest influence on a market share renders the constancy factor, on what shows the correlation factor, equal to 0,7 – close to 1. Thus, the success of hotel in the market is in many respects caused by its constancy - ability to meet consumer expectations at any time.

3. The constancy, in turn, stipulated by price and quality of service, what shows the correlation factor in a column "Constancy" - accordingly 0,76 and 0,52. That is to say, consumer expectations should be met constantly in view of price and quality of service. Though quality of service has a big importance, a dominating sign of constancy is a price (r=0,76) which in practice often has a primary aspect at making decision on purchase.

4. The secondary aspect at making decision on purchase is quality. If the price and quality meet consumer expectations it promotes repeated purchases, including hotel services. In turn, growth of number of repeated purchases promotes growth of sale volumes and a market share of the company.

5. The price is closely connected with such factors, as quality of service, constancy, reliability (r=0.86; 0,76; 0,84 accordingly). That is to say, the price should always meet consumer expectations on quality of service and reliability of hotel service.

6. Quality of service is closely connected with reliability (r=0.99) of hotel working system as a whole and its separate services. Reliability, in turn, depends on other factors which have not been presented in the given example, such as level of industrial and technological discipline, a technical condition of a hotel building, equipment, etc.

Thus, at increase of competitiveness and increase of market share of the hotels influences essentially factors of constancy and reliability of service, corresponding to their price.

Conclusion

The basis supporting constancy of quality in a hotel is understanding, correct use and saturation of service to clients which means that the service is given regardless number of clients currently living in a hotel.

At consideration the issue of support quality of service it is necessary to consider both technical and functional quality in their interaction and unity. Criterion for estimation of quality is comparison of the expected and rendered service. If the level of the rendered service corresponds or exceeds the level of the expected service, we are satisfied by its quality.

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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

THE SUPPORT OF FAMILY BUSINESS BY USING OF SYNERGETIC METHODS

Kuvandikov Shuhrat Oblokulovich[1]

ABSTRACT

The author of the article tries to analyze specific features of self-organization of family entrepreneurship within a synergetic approach. The author studies the concept of self-organization examines the state and synergetic strategy to support family entrepreneurship.

***Keywords**: Family Entrepreneurship, Synergetics, Self-Organization, Synergetic Principles, Synergetic Approach.*

Introduction

Nowadays, an enormous amount of attention is being paid to the support, stimulation, and development of small business and family entrepreneurship. This is considered as an essential role in solving the tasks of ensuring the stable growth of employment and income of the population.

In this regard, the Strategic Action Strategy for the Development of the Republic of Uzbekistan in 2017-2021 sets out the issue of further development of private property and private entrepreneurship, full liberty of the industry, elimination of all barriers and obstacles that are not present in this direction [1]. On this way, the announcement of the year 2018 as the Year of Support for Active Business, Innovative Ideas and Technologies implies further activation of the work in this direction.

In the national economy, family business plays an important role in the macroeconomic indicators, as an independent subject. It should be noted that numbers and quantity of the businesses were mentioned as in the date of January 1, 2017, the number of subjects of family entrepreneurship in the country is 8689, net proceeds from sales of goods and services - 679320.3 million soums (the average size of net income per household - 141.8 million soums). Therefore, the share of property and entrepreneurship in the total income of the family was 55.2%, created jobs - 358.56 thous. These figures show that family businesses are relatively small businesses, with a considerable portion of national income and employment. They represent their place in the national economy.

It is well known that the family business support system is a complex process, which needs specific approaches. The in-depth study and analysis of such complicated processes now require the need to discover unconventional methodological concepts, principles of the exclusive path to the issue. The principles of the synergistic approach as a new field of knowledge to solve problems are important in the study of these processes, and their methodological capabilities (open system, self-organization, self-governance, attraction, non-linearity, fluctuation, bifurcation, order and chaos, fractal, multiple choice, alternatives). The use of synergistic methods in the entrepreneurial sphere, which contributes significantly to the development of its methodology, proves the idea of "Synergetics," IE self-organization, in the process of organizing and running entrepreneurship.

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Literature Review

The concept of synergistic (Greek "Synergetics" - "cooperation", "solidarity", "coexistence") [Bozorov, 2010]. In his book Synergetic, G.Huckle points out two aspects of the meaning of this term. Firstly, the interaction between the elements involved in cooperative action, the co-operative movement, and the emergence of a whole system of self-organizing as a result of joint action, and, secondly, the collaboration and interaction of scientists working in various fields of science [3]. This research is based on the principles of both approaches.

In B. Turaev's collective monographs, Synergetics is understood to be a complicated system and describes it as follows. Synergetics is a complex science and the science of complex systems developing independently [4]. The authors also explain the concept of "complexity," suggesting that the complexity of complexity is that it is multicomponent and that its connections are widespread.

The various synergistic sources [2-4] show that the term synergistic was first introduced in the research of physicists and biologists, and was introduced into scientific discourse. Today, synergies are rapidly penetrating the field of economic sciences, leaving the boundaries of natural and scientific knowledge. These views are reflected in the explanation of the theory of the market economy.

When introducing synergetics into socio-economic systems, Smith later became involved in the concept of "co-operative" (Latin-partnership, solidarity) in K.Mark's views [5]. These views demonstrate that the development of economic systems is based on co-operative or synergies. Because in a market economy, each undertaking needs to cooperate in self-financing and production to carry out its business. This is a natural condition of the market economy, resulting in a stable economic development.

Synergetic ideas, like various economic systems, have been successfully used in small business and family businesses, and have high economic benefits. For example, economic literature has different approaches to determining sources of economic growth without the use of public resources [6]. The main idea is to evaluate and utilize the capacities of households to earn income and to make the most of the factors that determine the welfare of the family. It shows the self-organization of synergetics.

Famous UN documents point out that targeted financial assistance to poverty alleviation and the development of small entrepreneurship is of great importance [7]. It should be emphasized that this assistance should be focused on social infrastructure, support for the family, and small entrepreneurship. The synergetic nature of this concept indicates that, as a result of the interconnection, collaboration, and cohesion of all infrastructure facilities that promote the development of family business, the whole goal is to form a whole system. This shows the practical significance of the synergetics 'cooperation' and 'cohesion' principles.

F. Mamatov synergistic approach to the small business support system explains: "The main task of synergetics is to achieve "without control", i.e., with small resonating movements to bring the system to a human development path, to establish or to rebuild social systems it is to turn them into self-development, without the need for them"[8].

It is worth noting that the work on translating the service sector into a synergetic approach. O. Pardaev believes that synergetics in this direction is a definite systemic effort of cooperation, combining the strengths and capabilities of stakeholders in order to achieve a positive outcome in a particular activity [9].

According to S.Tashnazarov's opinion, the interaction between the individual components reflecting the processes taking place in the field of services, the emergence of new quality indicators in the system, and a thorough study of mechanisms of self-organization in the development of the economic system demonstrate a synergetic approach [10].

These studies have examined new perspectives on various socioeconomic systems such as self-organization, non-discrimination, imbalance, the emergence of chaos, and bifurcation. However, the characteristics of synergy principles in the support and development of family businesses are not considered to be the subject of research.

Research Methodology

As a methodology for research, studying the opinions of scientists on the support and development of family entrepreneurship, synergistic approach, logic, selective observation, grouping and comparison was used.

Analysis and results

In the recent years, the most important priority was given to the development of various forms of family entrepreneurship, as well as the legal basis for supporting it, as an effective way to address the challenges of ensuring employment and income growth. In particular, the Decree of the President of the Republic of Uzbekistan "About family entrepreneurship", "On measures to stimulate expansion of cooperation between large industrial enterprises and production and services on the basis of home-based business development", issued by the Commercial banks for loans to the Family Entrepreneurship Support Fund, and "On home-based labor".

These legal acts have often been used in terms of "cooperatives", "assistance", "contract", "guarantee," and "self-governance". These concepts represent a synergetic view of legal support for the family business, as an important methodological category used in the synergetic approach, indicating that it is an open-ended system of comprehensive support.

In our country, according to the current legislation, the legal support system of family entrepreneurship is conditioned by [11]:

• The state guarantees the protection of the rights and legitimate interests of family businesses;

• Government authorities should promote the development and strengthening of family businesses;

• The state authorities, by the procedure established by the legislation:

- Lease out of a non-residential premise for a family enterprise for the organization of production of goods (works, services);

- Allocation of land to a family enterprise for the construction of production areas;

- The connection of the family enterprise to the engineering and communication networks;

- It provides special places for the sale of the products produced by the family enterprise.

Financial support in the family business support system is also a part of the strategic objectives. Our research shows that the sustainable functioning of a family business depends largely on the size of the allocated cryptos. It should be noted that microfinance services are not at the full satisfaction of

entrepreneurs' demand. Among the surveyed families, the desire to create family businesses on the basis of family resources was twice as much as those who did it. It is seen that the most important factor hindering the development of the family business is the financial factor. Because most families report that they do not have enough funding. The evidence for this is that at least 20-25 million soums will be required if the family wants to start their own businesses. Funds such as 60-70% of families are sought, and 30-40% of families are in need of credit. Therefore, microfinance support is needed to support family businesses. This aspect of the case is reflected in Article 29 of the Law "On Family Entrepreneurship", entitled "Banking and Crediting of a Family Entity". In particular, it provides for the provision of banking services to the family enterprise on the basis of agreements with the bank, opening and maintenance of accounts of family businesses in national and foreign currencies, as well as crediting of family businesses through a loan agreement with a bank or other credit institution banks, other creditor insurance companies may be guarantors in providing loans to a family business, a solvent as well as individuals, as well as citizens' self-governing bodies, can be guaranteed by law.

The most important aspect of synergetics is that researcher-researchers working in self-governed systems help unite their work in a particular direction. Or, in other words, synergetics is a universal methodological paradigm that is based on complicated systems, the phenomenon of self-organization, and represents a single interdisciplinary approach to the object and object being studied. Therefore, According to D.Murodova's research [12], the study of family businesses in need of financial support can be of great benefit to three groups:

The first group includes the provision of minimal interest microloans (20-25 million soums) for the creation of start-up capital and the provision of economic and legal advisory services to families intending to start entrepreneurship.

The second group is mainly family business entities wishing to expand their production capabilities, building new facilities, allocating long-term bank loans for purchasing raw and semi-finished products, and leasing equipment.

In the third group, it is necessary to provide legal, financial and organizational services for the family business entities, which have a stable high productivity business and have sufficient collateral for obtaining bank loans, for bringing their goods and services to foreign markets.

The practical application of these measures will allow family business entities to simplify the process of obtaining preferential loans from banks, and to bring the cooperation relationship to a new level and to provide broad support to the banking sector by the banking sector.

Also, the creation of clusters that reflect the principles of collaboration, collaboration, and cohesion in the family business support system can also play an important role in raising their competitiveness. In our opinion, a family business cluster is a group of family businesses that operate in production or service, which is geographically convenient and close and complement each other in their activities.

In terms of synergetic approach, attention is paid not only to legal and financial support for family businesses but also to self-organization and development. Mechanisms of self-organization are the subject of synergetics. This can be seen in the self-organization of family business (Figure 1).
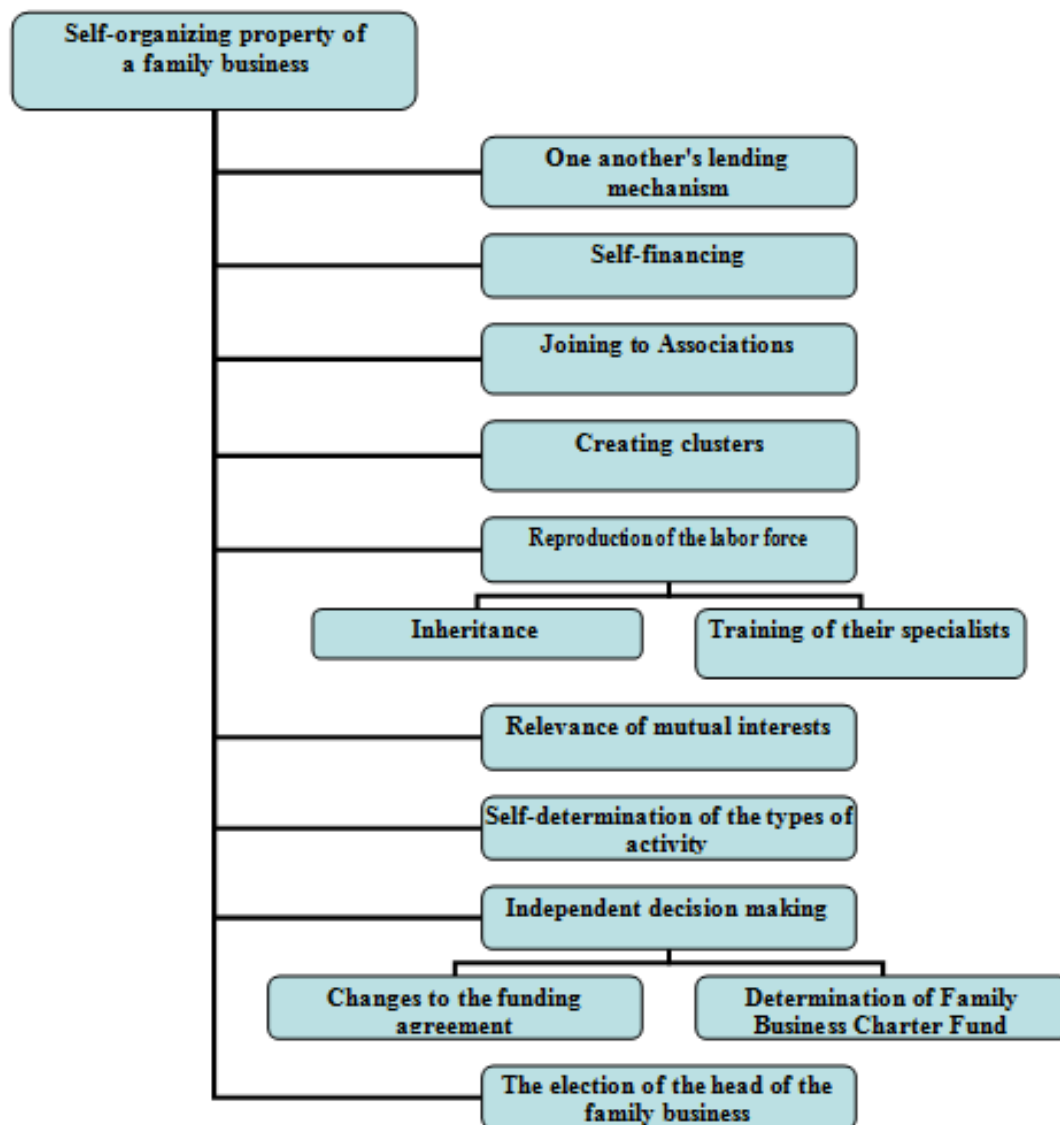
Figure 1. Self-organizing property of a family business[1]

In our opinion, the study of a family business on the basis of the synergistic approach is derived from the following aspects:

- Family business - an open system of self-organization and self-development;

- Family Entrepreneurship as a specific subject (system) is interdependent and interdependent in all its constituent elements (capital, property, members);

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[1] Created by author.

- Categorical "family - family ownership - family business" are complex concepts that are interconnected, without the presence of each other;

- The importance of each of its advantages and advantages (succession, interest, competitiveness, capital savings, etc.) in the development of the family business, and so on.

This peculiarity of family business indicates how well it coincides with the principles of synergies, as well as can help to gain a deeper understanding of it.

In terms of research, the synergetics approach is to define the common prints of development and self-organization of complex systems in various fields and have enormous theoretical and practical importance in the development of family entrepreneurship. Because of the specific factors, opportunities, and facilities available to support and develop the family business, this system needs a synergetic approach.
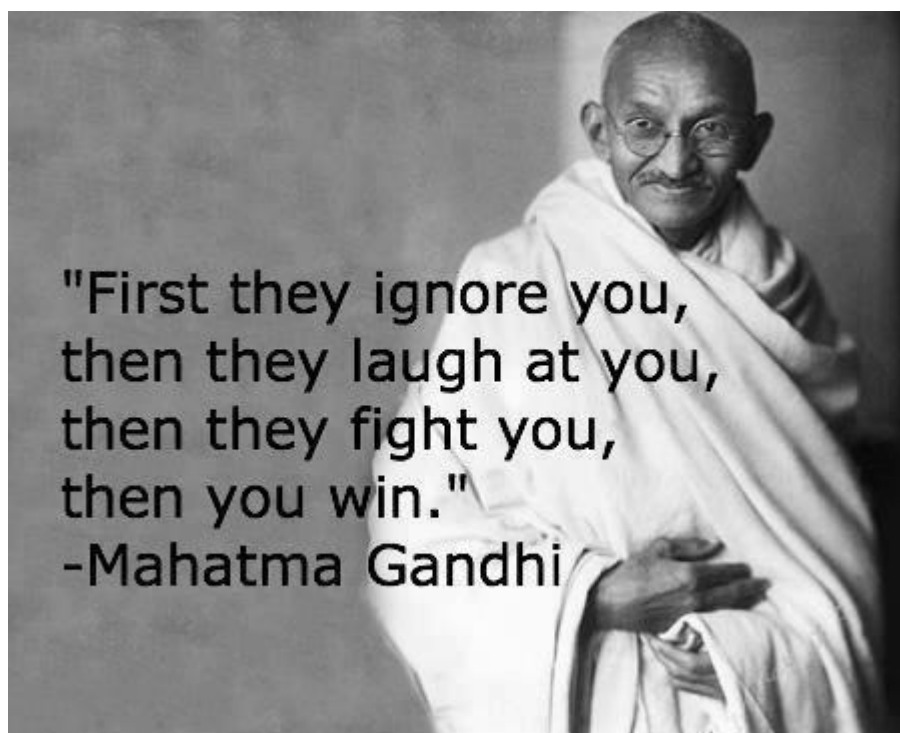
Conclusions

On the basis of the principle of a synergetic approach to family business support, the following conclusions were drawn:

- Family business support system requires a synergetic approach and its effective functioning is "cooperative", "support", "co-operation", "co-existence", "cohesion" "self-governance", "self-organization" "Interaction" mechanisms;

- The search for an opportunity to move to a new qualitative stage as a result of the unsustainable functioning of family entrepreneurship shows the bifurcation process. In the studied system, this situation is largely dependent on financial factors and requires the establishment of mutually beneficial cooperation between the family business and financial institutions. As a result, the system will continue to advance to the next bifurcation point.

- Providing entrepreneurship in every family, self-employment, and well-being. This can be accomplished through the development of family entrepreneurship, leading to a number of socioeconomic problems, and a significant reduction in government regulatory functions. These processes demonstrate the synergetics "self-organization" and "interaction";

- The integration of the family business into associations that protect their interests in supporting the synergetic approach and establishing the production on a cluster basis is of great importance. This increases the synergetic effect and contributes to the creation of a "Family Business Association" and "Family Business Cluster".

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"First they ignore you, then they laugh at you, then they fight you, then you win." -Mahatma Gandhi

REGULATION OF LABOUR COMPETITIVENESS GROWTH IN THE CONTEXT OF SOCIO-ECONOMIC POLICY MEASURES: GOALS AND OBJECTIVES

Urbanov Sirozhiddin Urbanovich[1]

ABSTRACT

In this article, the methods, forms and means of regulating the increase in the competitiveness of the labor force in the socio-economic system are classified and the directions of monitoring the competitiveness of the labor force are studied

The post-industrial economy, oriented to the wide use and rapid development of high technologies, imposes new and increased demands on the quality of the workforce – the educational, professional, cultural level of employees, their moral and psychological characteristics. It is the quality of the labor force that increasingly determines the competitiveness of the economy and social stability in society [5].

The increase in the level of employment of the population and the efficiency of labor use are the main factors of economic growth and increase in the welfare of the population. Increasing the competitiveness of the labour force is one of the most important components of achieving these goals. By itself, the market economy is objectively not possible to interpret the workforce out of touch with the competition. The experience of all countries that have achieved rapid economic growth shows that the use of the potential of competition is the most important condition for the inclusion of labor market actors in solving their own employment problems and more fully realizing the possibilities of the market mechanism in the field of labor.

Thus, a competitive specialist in the labor market should have unique features, abilities for personal expression, a high level of personal potential, due to both professional training and personal qualities, as well as activity and the ability to present themselves favorably in the competition for the workplace [2].

Competition between workers is determined by the properties of labor and competitiveness, characterizes the degree of development and use of these properties of the labor of one employee over another employee. Thus, if we consider competitiveness as a measure, it is necessary to determine the unit of measurement on the basis of which the correlation and measurement of the competitiveness of the employee will be carried out [6].

The analysis of the situation in the sphere of labor relations shows that the ability of the labor market of Uzbekistan to self-regulation is still insufficient, so the development of many elements of the labor force system, in particular the growth of its competitiveness, requires strengthening the active policy of the state. The competitiveness of the labour force is a special object of management – with great importance of social and economic factors. The choice of management methods is determined in many ways by the limitations of social nature – human norms and values.

Economic policy at the national level includes programs to support employment, retraining of employees, promotion of competition, tax reforms, etc. the International labour organization in the "Convention on the promotion of employment and protection against unemployment" formulated the basis of the system of

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social protection against unemployment. The main objective of this policy is to ensure that methods of providing unemployment benefits do not stimulate "unemployment", but contribute to the creation of full, productive and freely chosen employment [3].

In countries with a developed labor market, there are two main models of its regulation: liberal and socially-oriented. Both models are based on a mature market mechanism of management, but with different degrees of participation of the public sector, with different roles of state institutions in the management of the economy and social processes. At the same time, the liberal model in the basis of market regulation puts an "invisible" hand, when the state does not interfere in the processes of the market at the macroeconomic level, and state paternalism is mainly to support the socially weak segments of the population. The model of the socially oriented market assumes the state regulation of the processes proceeding at the macro - and microeconomic level.

The model of the labor market is determined by the system of training, retraining and advanced training of employees, the system of filling vacancies, ways of regulating labor relations [4].

In our opinion, one of the forms of solving the managerial task of increasing the competitiveness of the workforce is the development of the concept of managing the competitiveness of the workforce, including a system of ideas about the strategic goals and priorities of management actions, the most important directions and means of implementing these goals.

Promoting the competitiveness of the labour force is a complex and long-term process of comprehensive improvement of many structures, which is based on the following conceptual prerequisites:

- Description of the subject matter of regulation;
- The multipurpose requirements of the building regulation – competitiveness;
- Description of possible options for changing competitiveness in different scenarios of labor force development and competitive environment;
- Selection criteria preferences, i.e. the ways in which selected options to achieve the goal;
- The choice of methods of regulation;
- Finding funds to implement the strategic directions.

Regulation of the dynamics of labor competitiveness can be considered only in the process of interaction with the external environment. The external environment, the requirements of higher order systems (socio-economic development, labor force development) affect the formation of the goals and objectives of the labor competitiveness system.

In our opinion, the regulation of the growth of labor competitiveness should occupy a special place in the system of public administration measures and be considered as an independent part with specific goals and mechanisms of implementation. The functions of regulation of the competitiveness system are presented, thus, as an organic part of the management system of socio-economic development of the region and as one of the forms of implementation of this system.

The complex interaction between many independent components of the system "Competitiveness" increases the need for continuous fundamental and applied research in order to find conceptual ways to increase the competitiveness of the labor force under different conditions of development of systems of

higher order "labor" and "Socio-economic development". There are many factors and conditions that shape the relationship between these systems at the regional level.4 Schematically, the relationship between the two subsystems – control and controlled – can be presented in the following form (Fig. 1).

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┌─────────────────────────────────┐
│     EXTERNAL ENVIRONMENT         │
│    Socio-economic development    │
│           Labour                 │
└─────────────────────────────────┘
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| Preference criteria | | Development goal |

Control action

| Control system | | Object of impact - competitiveness |

Tendencies and regularities of the dynamics of competitiveness of the workforce
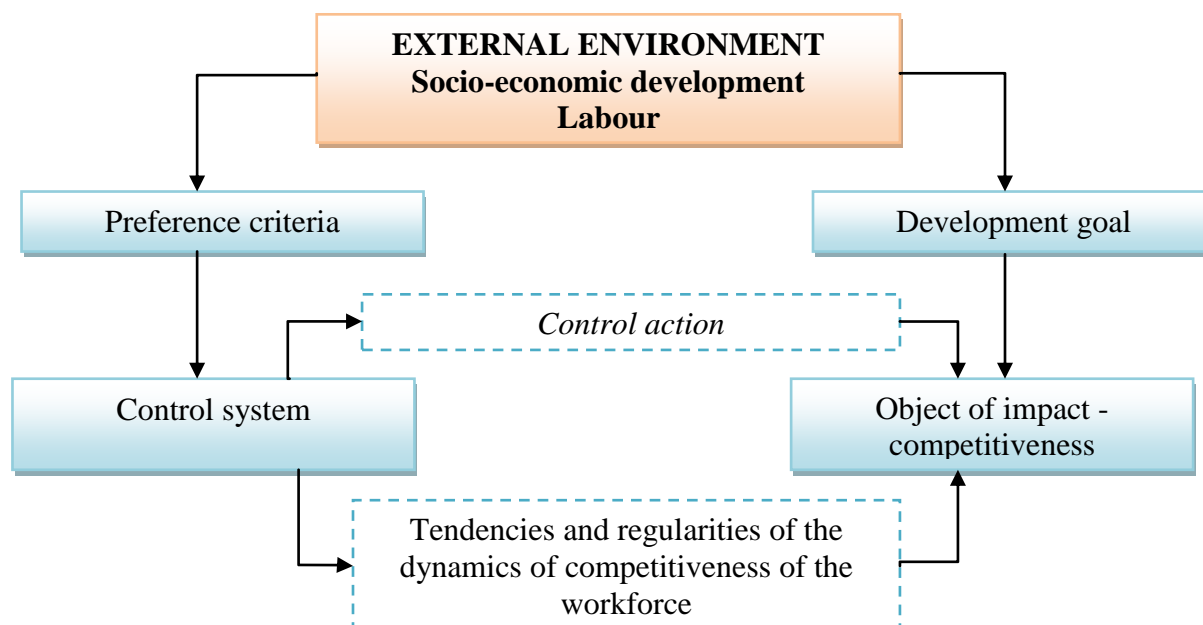
Picture 1. Competitiveness of the labor force in the system of socio-economic management[1]

Management decisions in the field of labor competitiveness are considered within the framework of the concept as economically rational and driven by the motives of its growth. The strategic goal of managing the competitiveness of the labor force at the regional level is to increase its level by ensuring a continuous cycle of improving the quality of the labor force, increasing labor productivity, creating conditions for the effective use of labor resources, increasing the income of employees, as well as the development of the principles of a competitive environment. This is one of the tasks, the recognition and solution of which depends on the success of solving the problems of effective employment, income growth and reduction of unemployment.

Forms and methods of management competitiveness can be differentiated according to various criteria: reflection and manifestation of competition; level facilities management; realization of functions of competitiveness; the organizational form; the time horizon, the motives of management actions, the method of consideration of the interests of subject and object control, etc.

The forms reflect different areas and aspects of governance; they are closely linked and generally constitute a system for managing the competitiveness of the labour force. Depending on different criteria, the following forms of governance can be distinguished: democratic and authoritarian governance; state and non-state, including municipal and private (corporate); sectoral and territorial; administrative and economic; operational, tactical, strategic; linear and matrix, etc.

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[1]Разработано автором.

Management methods, considered as specific methods of influence on the dynamics of economic processes, are ranked in the economic literature on different grounds: economic, socio-psychological, legal, etc., as well as in terms of impact on workers, taking into account the motives of their activities (organizational,administrative, socio-psychological methods based on moral stimulation of workers and labor collectives), etc. the Most common classification of methods in three groups: administrative, economic, socio-psychological. In some cases, groups are represented by two types of methods - administrative and economic [1].

Based on these provisions, the system of methods of management of competitiveness can be defined as a set of measures of economic, organizational, legal order, forming certain areas of organized impact on the formation of qualitative characteristics of the labor force at all stages of its reproduction and in different segments of the labor market, as well as conditions that contribute to the effective transition of comparative advantages in the competitive. Measures are differentiated depending on the stage of development of the labor force, elements of the structure of competitiveness, the nature of state participation, etc. In comparison with the above approaches, we offer a more detailed grouping of methods for managing the competitiveness of the labor force

1. Legal support (legislative and other normative acts that facilitate citizens to obtain the opportunity to work in the chosen field according to their vocation, abilities, education, regulating the structure of education costs, contributions to funds aimed at improving the quality of the labor force). The need to improve the legislation in the field of wages, in the field of social guarantees of employment of the weakest social strata of the population, the development of new types of employment has become particularly relevant in modern conditions. Through the adoption of legislative acts, a stable legal environment for business life is ensured

In the economic literature, the categories "form" and "methods" in some cases are considered as equivalent to Our study is based on the following assumptions: 1) form – a way of existence of the content of competitiveness management, which serves as its expression and determines the relationship of management, 2) method – a specific method of influence to achieve the goals of various economic entities of the labor market, support for entrepreneurship, protection of the competitive environment and freedom of economic decision-making at different levels of management.

2.   Economic measures – tax and budget policy aimed at increasing the competitiveness of the labor force, measures of state influence, through which conditions are created that determine the development of market relations in the field of labor. In the regional aspect, we are talking about economic methods that affect the total demand and total supply of labor, the development of competitive relations in the market the Strengthening of the importance of economic methods at the present stage is dictated by the expansion of the independence of regional authorities, ensuring the rights of economic subjects of the labor market as agents of the sale of labor.

In the most General form, economic methods of regulation include: forecasting, planning and programming; financing; lending; antitrust policy, protection of competition; system of penalties and others.

This set of methods occupies the main place in the system of management of the growth of competitiveness of the labor force. It is based on the account of action of social and economic laws of market economy.

3.Organizational support:

- State order for training various kinds of personnel. Systems of training and retraining, including General education, training in educational institutions of vocational education and directly in the workplace, in the employment service, retraining and advanced training;

- Professional orientation of the population, especially young people, the unemployed, the military released from places of imprisonment, refugees, disabled persons and other subjects of the labor market;

- Labor rehabilitation;

- Contractual arrangements;

- Selection for certain types of work, the most conducive to the content of individual labor force in order to maximize its effective use;

- Staffing, certification and other types of promotion (business career) in the service;

- Marketing of the labor market;

- Monitoring the implementation of management decisions;

- Ensuring the functioning of the institutions of consultants, expert councils on employment issues, etc.

4.   Social guarantees – quotas for employment of citizens in need of support of their potential competitiveness, the establishment of the minimum wage, etc. In order to develop the competitiveness of individual and total labor force in modern conditions, it is necessary to form a new mechanism providing social guarantees of employment, including socially vulnerable groups with a low level of competitiveness. This system should be formed as a set of legally enshrined economic, legal and social guarantees of employment provided by the state to each specific group of the population in accordance with the specifics of the competitive advantages of this group.

These principles include:

- Freedom of citizen's choice to participate or not to participate in socially useful work and increase the level of competitiveness;
- Unlimited right of choice the citizen of the scope of application of their labor;
- The right to choose the form of ownership in the application of their work, including the right to individual work;
- Self-selection by the employee of the most favorable employment regime – full-time, part-time, part-time, flexible working conditions, etc.

5. Information support – a policy of ensuring equal rights and opportunities for socio-demographic groups in competition in the labor market. In modern conditions, this segment of the management of the growth of the competitiveness of the labor force is of particular relevance. The information system does not directly perform any of the functions of management, but is closely related to them and forms the material basis of their functioning. Moreover, information is at the core of the process of regulating the growth of labour competitiveness, as it contains the information necessary to assess the situation and make regulatory decisions. The creation of an information field allows people to imagine the situation in the labor market and

measure it with their own requests. It is necessary to widely develop the monitoring of the consequences of the implementation of management decisions in order to provide the public authorities with objective and timely information about the dynamics of the competitiveness of the labor force.

6. It is also necessary to highlight the socio-psychological methods based on non-economic coercion to highly skilled labor. As a result of the implementation of these methods, it is possible to achieve such directions of adjustment of market relations in the field of employment as the formation of effective motivation for work among adolescents and young people, the activation of a motivational mechanism of remuneration, training, etc.

The most important condition for the implementation of measures to increase the level of competitiveness is the combination of all management methods. It is necessary at the regional level to unite the efforts of the branches of state power and economic management at all levels to solve the problems of competitiveness, to overcome departmental dissociation in their solution, to coordinate the activities of regional and sectoral authorities, to put the solution to the problem of increasing competitiveness in the basis of socio-economic policy of the region.

Methods of direct impact on the dynamics of competitiveness are mainly related to the economic, legal and organizational sphere, when by means of investment, tax and credit policies, legal acts and other organizational measures the operational results in the sphere of competitiveness of the labor force are achieved, preventing or correcting negative results.

Indirect measures more adequately fit into the system of management decisions in the field of regulation of growth of competitiveness of the labor force. Management bodies in this case do not directly interfere in the decision - making process of the subjects of the labor market. They only create the preconditions for the fact that the independent choice of economic directions subjects of the labor market gravitated to those options that correspond to the objectives of the economic strategy. The advantages of these methods are that they do not violate the existing relations in the labor market and are a significant catalyst for the main processes taking place in the field of labor development.

It is obvious that the state has a big role in ensuring the conditions for the growth of the competitiveness of the labor force. The state as a subject of management has such powerful tools as the budget, taxes, social protection. In these circumstances, the most important forms of management of the competitiveness of the labor force should include forms of public administration, implemented through economic instruments, the use of budget functions, taxes, investments, institutional opportunities.

The state has the right to develop and implement forecasts and programmes, to ensure their financing, to adopt legal acts regulating the market "rules of the game" and to provide guarantees of social protection for socially vulnerable groups. Public authorities have a leading role in regulating the relationship between the employee and the employer in the labor market, the functioning of the mechanism of social partnership. The state is also responsible for monitoring and controlling the main social processes (income, employment, inflation).

The development of the concept should also be guided by the principle of efficiency, which involves the selection of priorities, rational directions and measures to increase competitiveness from both national and regional positions.

Priorities for the development of a competitive environment and the reform of employment in the context

of increasing the competitiveness of the labor force are as follows: the priority of measures for economic support and the development of jobs in competitive industries and the creation of new jobs in small businesses over measures to maintain aggregate demand; the priority of indirect economic measures to stimulate the growth of competitiveness over direct; the creation of conditions for the development of competition in the target labor markets, including for socially vulnerable groups, etc.

The principle of continuity is important for the development of the concept, which involves the construction of a strategy for the development of competitiveness, taking into account the existing structures of target markets and on the basis of the laws of market dynamics. As part of the implementation of this principle should take into account the existence of existing structures of management of a block of competitiveness of the labor force, the existing directions in the field of employment management and socio-economic policy in General: the system of vocational training and retraining, the infrastructure of the labor market, etc.

Methodically, the principles of variation and alternative are of great importance. In the process of developing the concept, many options for achieving the target state at all levels should be developed, evaluated and agreed upon.

To get the best solution, it is necessary to determine the rules for choosing the preferred options from a variety of alternatives. The choice of the development option is possible when making real calculations of possible alternatives to solve the problem, determining the criteria of preferences and costs for the implementation of each option.

The problems of choice can be divided into two aspects. First – identifying promising areas of development of competitiveness in the increasing volume of investments in "human capital". The result of this process should be a high rate of growth in the quality of the workforce. The second – the choice of the optimal method of regulation of competitiveness, taking into account the time period and the prevailing socio-economic conditions of development of the region, i.e. the competitive environment. The second way involves taking into account the actual competitive advantages with the provision of ways of the most effective use of labor for the benefit of a particular region (Fig. 2).

In the formation of alternative factors of competitiveness growth, proactive forecast information should be used, taking into account the trends in the development of the labor force on an international scale. This reduces the risk of including elements of obsolescence.

As already mentioned above, the regional competitiveness of the labor force in relation to the competitiveness of the subjects of the labor market, the competitiveness of personnel of the enterprise, the industry is at a higher hierarchical level, so a special role in the development of the concept is the principle of hierarchy, which means ensuring the achievement of goals by individual structural subsystems, the coordination of their interests and the organization of this process in the time of their interaction. As part of the concept development, the organic unity of levels, phases and management functions of individual blocks should be ensured.
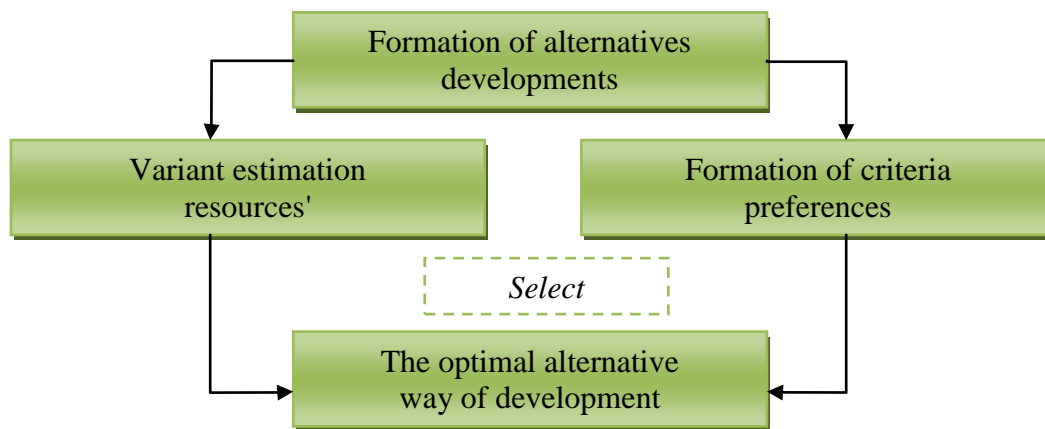
Picture 2. The scheme of choice of alternatives of development of competitiveness of labor force

The logical sequence of the concept formation process consists of four interrelated, relatively independent stages of work:

The first stage is a strategic analysis of employment, the labor market in close relationship with socio-economic development, assessment of the level of competitiveness and conditions that form the competitive advantages of the labor force, the formation of a system of views on the way of growth of the competitiveness of the labor force.

The second stage – goal setting, development of a system of targets and tasks;

The third stage is the forecasting of macroeconomic indicators of the competitiveness of the workforce (variant prediction), determining conditions of implementation of the targets, the unit of priority target programmes;

The fourth stage is the synthesis of the concept itself. The stage involves a number of successive iterations, during which adjustments are made to the target block and the forecast system until a variant that meets all the requirements for the development of the concept is obtained.

The most important direction of successful implementation of the concept is to monitor its implementation. It seems that monitoring the competitiveness of the labour force is one of the effective methods of control.

The purpose of monitoring the competitiveness of the labor force is the information support of decision-making authorities on this issue. Due to the inclusion of target managerial monitoring compared to other forms of surveillance, appears more perfect way information service.

The monitoring stages are as follows:

- Collection, pre-processing (filtering, checking for completeness and accuracy, backup, recovery), input and storage of information on the competitiveness of the labor force in the region;

- Analytical processing of information, obtaining current and forecast estimates of the situation on the basis of modern information technologies;
- Information and analytical support of the management of authorities in the form of presentation of information and analytical materials on the problems of competitiveness of the labor force.

The main objects of monitoring are: the dynamics of indicators of competitiveness of the labor force; structural changes in the system of competitiveness.

In connection with the above, the main tasks of creating a system of monitoring the competitiveness of the labor force are: the formation of the initial information and analytical base (system of indicators); the choice of tools, that is, the most appropriate methods for the competitiveness of the labor force analysis of structural changes.

On the basis of information base it is possible to carry out the calculations necessary for development and acceptance of administrative decisions by authorities: definition of tendencies of development, selection of empirical formulas for research and justification of probable scenarios of development of competitiveness; construction of alternative short-, medium - and long-term forecasts of the main target indicators, etc.

For the timely regulation of social and economic processes necessary to organize monitoring on the key target indicators of competitiveness which are to be continuously monitored by the regional authorities. This list should sufficiently cover various aspects of the formation of competitive advantages and their implementation at the regional level, which will, in turn, timely identify emerging problems and imbalances in the system of competitiveness of the labor force.

The use of this list will, in addition, implement a fruitful, in the opinion of the author, the idea – the introduction into practice of assessing the competitiveness of the generalizing (integral) indicator.

To date, this problem has not been studied. In the scientific literature there are no approaches to assessing the level of competitiveness of the labor force, especially the results of the use of specific calculations in management practice. This aspect of the problem of competitiveness management is the least developed in theoretical and applied terms and, therefore, requires in-depth scientific study.

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INDIAN RURAL MARKETING: OPPORTUNITIES, CHALLENGES AND TRENDS

Sunil V. Chaudhary[1]

ABSTRACT

The Indian rural market is much larger when compared to the urban market in terms of population and number of households, and also by way of geographic dispersal. The rural market is the new driving force of the "Indian Consumption Story". With only 31.16% of the Indian population living in urban areas and 68.84% residing in the villages (Census 2011), it is only a matter of time before rural Indiatakes its rightful place in the Indian growth story. Marketing is dynamic discipline and it adapts itself to the demographic and psychographic profile of the target population. More than 70% of the Indian population resides in its villages, and rural areas account for about half of the nation's Gross Domestic Product. Rural Marketing has played a pivotal role in the marketing strategies of companies in India and in the changing the living standards of the rural population.

KEY WORDS: *Rural Marketing, Challenges, Opportunities, and Trends.*

Introduction

There is no official definition of what constitutes a rural area. However, an urban area is defined as per the census of India as "all places with a municipality, corporation, cantonment or a notified town area" and all other places satisfying the following criteria: (a) Minimum population of 5000, (b) at least 75% of male working population in non-agricultural pursuit, and (c) density of population of at least 400 persons per square kilometer."

Therefore, an area that does not satisfy the criteria specified above can be considered a rural area.

Therefore, considering the above, it can be said that rural marketing encompasses all the functions which manage entire activities involved in accessing, stimulating and converting the purchase power into an effective demand for specific products and services, and moving them to the people in rural areas to create satisfaction and a standard of living, thereby achieving the goal of the organization (Krishnamachayulu & Ramakrishnan).

The Indian rural market with its vast size and demand base offers great opportunities to companies. In India, there are 6,42000 villages. While agriculture used to be the major source of income in rural areas, over the past 10-12 years, the dominance of agriculture has been rapidly declining. The contribution of agriculture to India's GDP was less than 20% in 2008-09. There is a sizeable population of self-employed persons in the hinterland and quite a few of them are into services such as repair and maintenance of motors and pump sets, televisions and other electrical appliances, farm equipment, tractors and two wheelers. Some are also engaged in other services like hospitality, transport, entertainment etc.

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The Indian Rural Market

> The Indian rural market is much larger when compared to the urban market in terms of population and number of households, and also by way of geographic dispersal. The rural market is the new driving force of the "Indian Consumption Story". With only 31.16% of the Indian population living in urban areas and 68.84% residing in the villages (Census 2011), it is only a matter of time before rural India takes its rightful place in the Indian growth story. Faced with a threat of declining growth rates in future urban markets, businesses have started focusing on the huge and relatively untapped rural Indian market. The major growth potential lies in the dense segment of lower income consumers in rural areas rather than in higher income consumers living in urban areas. By virtue of their numbers, the poor represent a significant latent purchasing power that must be unlocked (Prahalad, 2006). Additionally as a result of rising non-farm employment opportunities coupled with government initiatives (such as MNREGA) and private initiatives (such as ITC's e-chaupal, HUL's project Shakti, etc.), the rural consumption growth rate in India has now surpassed that of urban India (CRISIL Report 2012). In absolute terms, the spending by urban India during this period was pegged at US $ 53,607 million and spending by rural India at US $ 67,144 million (CRISIL Report, 2012).

There is a perceptible change in the rural consumers, brought about by access to improving educational facilities, increasing awareness, access to technologies and a progressively increasing purchasing power. The increasingly consumption oriented rural India is a product of rising purchasing power, fuelled further by new employment opportunities (TRYSEM, JRY, and so forth), improved income from modern agriculture, better credit facilities (e.g. Kisan Credit Cards) and financial assistance schemes by the government. This, in turn, has provided an ideal foundation for rural development. The rising income levels in rural India have quite noticeably transformed the rural consumers, and their changed nature of demand is forcing companies to offer better quality, better service, greater choice, and true value for money.

Research Objectives:

1. The objective of the paper is to study the opportunities, challenges and trends of Indian Rural Marketing.

2. The objective of the paper is to understand rural and urban consumers and their consumption behavior.

Literature Review

1. India's rural market is a gold mine, but largely remains untapped by the Indian Corporate sector. During recent times some companies and organizations have implemented innovative projects to tap the rural market and deliver value added services to the door steps of the rural people. Indian agriculture is characterized by poor infrastructure, numerous intermediaries and fragmented farming. To tackle such issues which are affecting Indian agriculture, and also to eradicate the vicious cycle of poverty of the Indian farmer, ITC limited launched e-choupal in June 2000. The purpose of e-choupal was the procurement of agricultural and aquacultural products such as soya beans, rice, pulses, wheat, coffee and prawns directly from the farmers. Internet can change the life of the rural masses in a big way. It can catapult the rural economy to new heights, increase the standard of living and quality of life of the rural masses, bridge the rural-urban divide and contribute to positive social transformation. **(Suvadip Chakraborty, 2010)**

2.   The study was conducted to find the impact of celebrity endorsed advertisements on rural consumer's purchase intention towards SIM cards. Companies have tapped the rural market with the help of various strategies and have used celebrities to advertise their products in the market. There is lack of empirical research on celebrity endorsements of telecom services in rural markets of India. The study revealed that familiarity was the most influencing factor under celebrity endorsements which had a significant and positive effect on purchase intention of SIM cards among rural consumers of West Bengal. The study also revealed that celebrity endorsements in the rural market are quite profitable and the telecom companies can use celebrities to promote their brands. **(Debarun Chakraborty, 2018)**

3. The paper attempted to examine the factors that influenced the decision of rural as well as urban consumers of Kanchipuram District of Tamil Nadu in the purchase of milk and milk products and thus tried to bring to fore the similarities, if any, in such decisions. The primary data collected from a sample size of 360 respondents selected through the convenient sampling technique were put to a microscopic analysis by employing the percentage analysis, chi-square test, and factor analysis approach. The result showed that among the various factors, the product-oriented factor, which included the variables like high quality, affordable price, taste, aroma, thickness, availability in required quantity, and no harmful effects, had a greater influence in determining the preference of the respondents towards milk and milk products.

(S. Rameshkumar & A. Vikraman, 2018)

RESEARCH METHODOLOGY:

- Data type: Secondary data.

- Scope of Study: Indian rural market

- Research Type: Descriptive

Indian Rural Marketing: Opportunities, Challenges and Trends

- The Indian rural market has certain special characteristics which differentiate it from the urban market. The most important ones are, a significant percentage of the population is illiterate, and the income is low and often irregular or seasonal. Other issues pertain to limited distribution network, inadequate transportation facilities and infrastructure, and also behavioral characteristics of the rural consumer. The rural consumer expects value for money and sturdy products.

- The rural population is quite heterogeneous. Diversity along various dimensions such as religion and caste, customs and traditions, social hierarchy, language, literacy, education, occupation, income, etc., stand out more sharply in the villages than in urban areas. Also, the population is thinly spread out across innumerable small villages.

- The new tax structures, a good monsoon, fruits of the green revolution and Administered Pricing Mechanism (APM) have led to higher disposable incomes. Today, the rural consumer shops for value.

- Customized Products for Rural Markets: Hindustan Unilever's introduction of detergent as an alternative to soap, brought to the market a product with much lower oil to water ratio, thereby

reducing the pollution created by washing clothes in rivers. Hindustan Lever's Project STING (Strategy to inhibit Nirma Growth) to put the brakes on Nirma.

- Small-sized Packs: Almost all FMCG goods manufacturers have come out with smaller packets. The low per capita income, non-availability of regular pay and cash forces the rural consumers to buy products in small quantities.

- Even in the age of mobile telephony, many villages do not have communication facility, and many villages do not have motor able roads.

- Consumer goods companies are adopting the strategy of multiple branding aimed at different segments, in order to enhance their market share.

- Rural consumers are more attracted towards low price and value for money.

- Companies are using the strategy of distributing through traditional rural markets (haats and melas) to reach the maximum number of consumers at lowest cost.

- Unlike in urban markets, distribution of products in rural areas is indeed a difficult task due to lack of well-developed distribution system.

- Print media and electronic channels, may not be adequately effective in rural markets due to low rates of literacy and greater reliance on word of mouth communications.

- Unlike in urban areas, the socio cultural bonds are very strong in rural areas. Often, it is the community leaders who approve a new product before others start using it.

- Spurious brands have a significant presence in the rural markets, and stern measures have to be taken to check them.

- Rural consumers are moving away from unbranded products to branded ones. Therefore, marketers have to promote their brands well and also ensure that their brands live up to consumer expectations.

- Rural buyers have become more quality conscious, and they are seeing brand reputation as a measure or indicator of quality, in making purchase decisions.

- The consumption pattern in rural India and the demand for new products have shown an encouraging trend. The purchasing power of rural consumers has increased.

Limitations of the Study:

The study is based on secondary data and possesses limitations of secondary data.

Utility of the Study:

The study highlights the immense potential of the Indian Rural Market, Challenges, Opportunities, innovative marketing strategies and trends to tap the Indian rural market.

Conclusion:

Indian Rural Market offers immense opportunities for FMCG and Consumer Durables as well as Services. Indian Rural Market poses the challenge of diversity, lack of infrastructure, thinly populated villages dispersed over a wide geographical area, rural socio-cultural factors, and calls for innovative marketing strategies to effectively tap the Indian Rural Market.

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THE IMPACT OF TAX POLICY ON INVESTMENT PROJECTS
IN THE REPUBLIC OF UZBEKISTAN

Ilyos Ayubov[1]

ABSTRACT

At the present stage of transition to a model of sustainable development of regional economy of Uzbekistan will compensate for the lack of development of production, caused by the uneven territorial development of the economy, rapid development of other non-manufacturing sectors of the economy.

__Keywords:__ Cluster, Tourist and Recreational Resources, the Region.

Introduction

The transformation of the tax system in a large scale is related to the adoption of the concept of improving the tax policy of the Republic of Uzbekistan. Its main areas implemented in the Tax Code and other regulations, the annual "budget", which came into force on January 1, 2019. But this reform is not completed yet. Its extension is planned as part of measures to maintain macroeconomic stability(Lal, Suleimenov, Stewart, & Hansen, 2007; Sun, Dong, Li, & Chen, 2011; Turner & Freiermuth, 2017).

One of the factors hampering the development of the tourism sector, is the imperfect tax system, its negative characteristics, such as high tax burden and instability. Many travel companies do not have time to adapt to the innovations in the tax area, and state agencies feel consequences through changes in the amount of taxes collected, what now must be added to the complexity of the tax system.

The market environment requires a new approach to improve the tax system. Tax is a powerful tool for managing the economy in terms of travel market. The use of taxes is one of the most economical methods of management and ensuring the interrelation of national interests with the commercial interests of tourist organizations. With the help of taxes, foreign economic activity is regulated; including attracting foreign investment, self-supporting income and profit of travel agencies is formed. The taxation system is one of the most important factors influencing the decision to invest, especially when it comes to foreign direct investment. The most important task, which largely determines the functioning and development of the economy, is the task of attracting investment in the tourist industry. An efficient investment process performs an important macroeconomic function. It is necessary to analyze the dynamics of investment processes in the economic system, excluding taxes, and the dynamics of investment processes with a constant growth rate, taking into account taxes.

Theoretical background

The investment process can only develop under normal commodity-money relations and property relations. The transformation of state ownership into forms of ownership that are adequate to new market relations is largely carried out through its privatization. An efficiently operating investment process fulfills

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important macroeconomic function, contributing to the redistribution of investment resources, ensuring their concentration in the most profitable and promising sectors (travel enterprises, tour projects) and at the same time diverting financial resources from industries that do not have clearly defined development prospects and at the same time investing in related industries (Draper, 1997; Radnor Zoe (School of Business and Economics, Loughborough University, Loughborough & O'Mahoney (Cardiff Business School, Cardiff University, Cardiff, 2013; Wood, 1998).

Thus, investments are one of the few possible financial channels through which savings flow into the real economy. At the same time, tax incentives for investment provide investors with the opportunity to increase their capital. One of the main tax incentives provided by the state is its refusal from tax profits, that is, from part of tax revenues to the budget. Random returns on investments that would take place in any case make tax incentives relatively unprofitable. Tax incentives can be used by persons to whom it does not apply, and this can significantly increase the costs caused by the rejection of profits. In many cases, the main activity covered by incentives was the result of tax planning, rather than expansion of the required activity. Providing even targeted tax incentives creates a precedent for their use. Companies that engage in activities that are not subject to incentives will seek to extend incentives to their activities or at least provide incentives in any form. In order to stimulate investment activity, tourist enterprises and organizations are exempted from income taxation, which direct their profits to investments, including the development of their own production and non-production base, subject to the use of depreciation amounts (amortization).

Main part

Consider the impact of taxes on investment projects with a constant growth rate of gross yield, using general mathematical approaches to describe taxes and investments in the structure of national income based on mathematical models using analytical and numerical methods(affairs & 2004, n.d.; Bassolas, Lenormand, Tugores, Gonçalves, & Ramasco, 2016; Israfilova, Travellers, & 2018, n.d.; Wood, 1998).

1. Dynamic function storage of investment project in conditions far from saturation of the market without taxes described first-order differential equation

$$\frac{dy}{dx} = \alpha x,$$

(3.1)

where the parameter α- intensity percentage growth.

Assuming that the value of investment *I (t)* is a fixed part of the income, we get *I (t) = mx (t),* where the proportionality coefficient, the so-called. investment rate is a constant, *0 <m <1*.

In the case of a constant tax of *δ*, the intensity of the percentage growth will decrease and become equal to *α-δ*. In this case, the initial equation describes either an exponentially growing (for *(α-δ)> 0*) or an exponentially decreasing (for *(α-δ) <0*) finance value x in this project.

Permanent taxes affect the rate of growth or decrease of the value of finance over time.

In the case of income tax rate μ, the percentage growth rate becomes

(1-μ) α, where (*0 <μ <1*).

At the same time, the nature of the dynamics of the investment project accumulation function remains unchanged. Income tax, as well as a permanent tax, affects the rate of growth of the value of finance over time.

2. The effect of taxes on the dynamics of the accumulation function with a continuous flow of finance with a constant intensity into an investment project gives rise to the investment accumulation function, which occurs in the absence of seed capital in the project. As for the effect of taxes on investments, they manifest themselves on the dynamics of growth of the accumulation function in the same way as in the case considered above, there is no external continuous flow of finance to this project.

In economics, the condition of non-saturability of the market can practically be used only for a fairly narrow time interval at the start of production. In the general case, the demand curve, i.e. The dependence of the price of realized tourism products on its volume is a decreasing function (with an increase in the volume of output, its price falls as a result of market saturation). The case when the expression for the demand curve is a linearly decreasing function of *x*:

$$p(x) = \alpha - \beta x, \tag{3.2}$$

where β is the "market saturation" parameter, which characterizes the "quickness" of the decrease in demand for the manufactured tourism product.

Therefore, the model of investment dynamics in a competitive market is described by a nonlinear equation.

The dynamics of the accumulation function $x(t)$ of an investment project under conditions of market saturation is described by a nonlinear first-order differential equation

$$dx / dt = (\alpha - \beta x) x \tag{3.3}$$

From the equation it can be seen that the parameter is the most effective control parameter. The value $\alpha = 0$ corresponds to the critical state of the system, and α can be both smaller and greater than zero. The value $\alpha_1 < 0$ determines the state of the system below the critical level, and the value $\alpha_2 > 0$ - above the critical level. Suppose that before the initial time $t = 0$, expenses exceeded income, so that $\alpha = -\alpha_1$, and at $t = 0$ the opposite situation developed, so that it became $\alpha = -\alpha_2 > 0$.

In order to study the prediction of capital gains, one should study transition processes of increase in x when the parameter α changes from the position $-\alpha_1$ to position α_2, for a finite period of time $\Delta t \ll \dfrac{1}{\alpha_2}$. First, the case is considered when taxation is absent and the initial capital $x = x_0$ is invested in the project, with $t = 0$. Under zero initial conditions, which corresponds to the absence of initial capital, the accumulation function remains equal to zero throughout the time interval t.

Equation (3.3) has a stationary solution

$$x_c = \alpha_2 \beta \tag{3.4}$$

Which from an economic point of view, x_c represents the limit value of capital in this project. Therefore, the stabilization parameter (market saturation) can be represented as

$$\beta = \frac{\alpha_2}{x_c}$$

(3.5)

The time to reach *x(t)* to a certain level t_n =$x/(x_c - x$) is obtained from solving the equation in the form.

The limit value of capital in this project does not depend on the size of the initial contribution, which is a common characteristic feature of non-linear investment processes in economic systems. Calculations show that such a change in the dynamic mode occurs when the inflection point is reached at the level $x = 0.5x_c$. Consequently, the optimal distribution of the received money resources by the investor as a result of the implementation of this investment project will be the investment of the accumulated funds either in another project or in the increase in working capital and non-current capital of the same project.

Consider the dependence of the accumulation function on the value of the initial contributions to the investment project. We are talking about the process of establishing a stationary value in an investment project, in which the initial conditions are determined by the fact that one and the same investor makes an initial contribution of a certain value, or different investors contribute to the same project independently of each other.

A possible implementation of the establishment of a stationary regime can have a different form, obtained from equation (3.3) by solving it by numerical methods.

Based on this, it can be concluded that the investment of the initial capital is greater than the limit value in this investment project (determined by the control parameters) does not lead to additional profit, but only leads to unjustified costs. With small initial capital $[(x)]_0 \ll x_c)$, making a profit of virtually any value $(x < x_1 C)$ for a sufficiently long time is guaranteed, then for large amounts of initial capital $(x_1 0 > x_1 C)$ losses due to unnecessary costs occur in a relatively short period of time.

Investigation of the stability of the stationary solution of equation (3.3) by analyzing the potential function of its right-hand side. It is shown that the stationary solution of equation (3.3) (the limiting value of capital in this investment project) is stable.

The above nonlinear model adequately reflects the influence of the control parameter *α*, the saturation parameter *β* on the dynamics of investment activity in the absence of taxation. The inclusion of tax deductions in this model allows one to determine the effect of the tax rate on the accumulation function of an investment project.

The tax mechanism is one of the main instruments of state regulation of a market economy.

In the case of a fixed tax, the influence of the cost factor per unit of time on the constant tax *δ* is taken into account, so that the difference between the factors of growth of income and expenses per unit time will be $\alpha_2 - \delta$.

Permanent taxes lead to a decrease in the marginal value of capital – x_c in this investment project under the linear law and to an increase in the characteristic time to reach capital to a certain (specified) level – t_n under the hyperbolic law. Consequently, the characteristic time of growth of the function of accumulation of investment with an increase in the tax rate increases sharply.

Consequently, a permanent tax reduces the growth rate of the investment accumulation function and can reduce to zero its maximum capital values in a given project.

In the case of income tax, the nature of the dynamics of an investment project (type of dynamic equation) also does not change and has the same form (3.3), however, the control parameter α_2 is replaced by the expression $(1-\mu)\alpha_1 2$, where $\varphi(0 < \mu < 1)$ is the income tax rate tax μ.

In the case of the capital limit value in an investment project, it decreases linearly with an increase in the tax rate, so that for $\mu = 1$ it is equal to zero.

The time to achieve the function of accumulating an investment up to a certain level *n* when accounting for income tax in accordance with formulas (5.4) increases dramatically with an increase in the tax rate. Thus, the income tax, as well as constant, reduce the growth rate of the investment accumulation function and can reduce to zero the capital limit value in an investment project.

In the overwhelming majority of well-known scientific works on the study of the dynamics of economic growth, emphasis is placed on the study of the transient processes of establishing stationary modes of system operation ("optimistic forecasts"). However, of no small interest are studies of the recession (attenuation) of the accumulation function of investments in an economic project, which is subject to negative impacts due to an excessively large tax burden, or, for example, due to some negative circumstances.

In this situation, exploring the dynamics of the function of accumulation of investments in a certain project when the parameter α changes from a position $\alpha_2 > 0$ to a position $\alpha_2 < 0$ due to a sharp increase in taxation (when making the reverse transition).

For numerical calculations and graphing, the control parameters and the saturation coefficient are taken as $|2\alpha_1| = \alpha_2 = \beta = 1$.

The calculation results obtained on the basis of solving dynamic equations for the investment accumulation function and the graph in fig. 6 show that large tax burdens lead to a sharp decline in investment in a very short time.

In the case of the receipt of a continuous flow of finance, the accumulation function, as a function of time, experiences rapid growth at the beginning of the process, then its growth slows down, and it asymptotically approaches its stationary value. From an economic point of view, this value corresponds to the limit value of capital in this investment project.

As in the absence of a continuous stream of payments, the role of a fixed tax is reduced to an increase in the cost factor per unit of time by a constant tax δ, so that the difference between the growth factors of income and expenses per unit time will be α-δ and the dynamic equation retains the form (3.3) .

In this case, the solution of the original equation in formula (3.4) remains unchanged, and the formulas for the stationary value and the characteristic time to reach up to a certain level will be rewritten as

$$x_c = \frac{(\alpha - \delta) + \sqrt{(\alpha - \delta) + 4\beta p_1}}{2\beta}$$

(3.6)

In the case of income tax, the nature of the dynamics of an investment project (type of dynamic equation) also does not change, however, the control parameter α is replaced by the expression $(1-\mu)\alpha$, where $\mu (0 < \mu < 1)$ is the income tax rate: $\dfrac{dx}{dt} = (1-\mu)\alpha x - \beta x^2 + p_1$. For a stationary solution of this

equation, the limit value of capital in this project will be $x_c = \dfrac{\alpha + \sqrt{\alpha^2 + 4\beta p_1}}{2\beta}$, where the parameter α is replaced by the expression $(1-\mu)\alpha$. The marginal value of capital in this project decreases linearly by increasing the tax rate, so that when $\mu = 1$, it equals zero.

Calculations show that the time to achieve the function of accumulating an investment up to a certain level when income tax is taken into account increases with increasing *μ* as $t \sim \dfrac{1}{\alpha(1-\mu)}.$

The nature of the dependence of the stationary values of the accumulation function on the coefficient of the tax rate coincides qualitatively with those obtained, the absence of an external continuous flow of finance. Accounting for regular payments increases the stationary value.

Conclusion

Thus, continuous financial flows of constant intensity play the role of effective control parameters in the dynamics of investments.
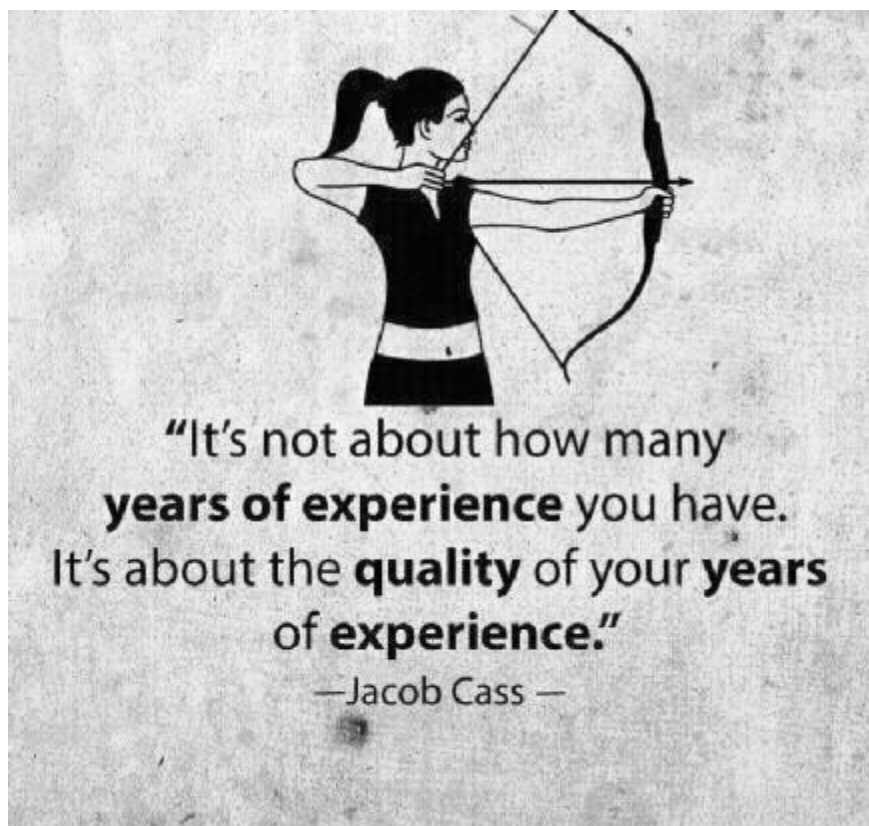
Taxes are the basis for the existence of a modern state, so their use in the process of regulating the economy requires a careful forecast of the tax consequences. To implement such a forecast, it is necessary to determine the tools and criteria for evaluating the effectiveness of tax regulation. These questions were considered in detail on the basis of mathematical models.

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"It's not about how many **years of experience** you have. It's about the **quality** of your **years** of **experience**."
—Jacob Cass —

DYNAMICS AND PROBLEMS OF WHOLESALE TRADE IN THE REGIONS OF UZBEKISTAN

D. H. Kholmamatov[1]

ABSTRACT

This article anility the dynamic of wholesale trade and the dynamic of wholesale turnover in the context of the innovative development of the economy of Uzbekistan. After, wholesale commodity turnover of wholesale trade and commodity stocks are studied and the problem of estimated cost related to storage and possession of stocky in wholesale trade los been identified.

Key words: *Wholesale Trade, Wholesale Trade Turnover, Brand Reserve, Logistics Centers, Warehouse Management, Distribution Center.*

Introduction

Mutually beneficial development of the country's economy in terms of innovative development is one of the most important issues. Options in all regions are not the same. If the bandwidth of the zone corresponds to agriculture, the second zone can be used for industrial production and, in addition, for the development of transport infrastructure. Thus, the transformation and distribution of mutual goods is crucial in the uneven development of regions(Bramwell, 2005; Stansfield, 1987; Turner & Freiermuth, 2017).

The role of wholesale trade in the supply of raw materials, ores, ores to industrial production zones, as well as from the region to semi-finished products, packaging and spare parts processing plants and, ultimately, finished products to the consumer market is immeasurable.

Free economic zones, small industrial zones, logistics centers, warehouses in the regions are aimed at ensuring an even distribution of material goods between the regions. In addition, raw materials, spare parts, semi-finished products are also imported from industrial enterprises not only from internal sources, but also from external sources. Import, transportation, storage, distribution, delivery of goods is one of the most important functions.

These functions are covered by wholesalers. Wholesalers, warehouses, warehouses are mainly located in industrialized areas with developed transport infrastructure. Wholesale turnover is also high in the wholesale and wholesale markets. As a result, the share of transport and logistics, transport, storage and trade services in the gross regional product of the region will be high. In addition, the importance of wholesale trade will increase while maintaining transport flows between regions(Alikulova, 2014; Kantarci, 2007a, 2007b; Ospanov, 2012).

In the organization of processing, retailers can not fulfill the task of supplying raw materials, spare parts, semi-finished products not only from internal sources, but also from external sources, the purchase of tangible goods and processing enterprises. This can be done only on wholesale trading platforms.

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In connection with the analysis of the dynamics of wholesale trade turnover in the republic and its regions, it is necessary to consider the possibility of locating future distribution centers in regions with high wholesale trade turnover. Because distribution centers should be closer to consumer goods and goods intended for technical and production purposes. Optimal management of the material benefits of resources in each production cycle is associated with the problem of distribution centers distribution(Holt, 2010; Marketing & 2007, n.d.; Winter, Teo, & Chang, 2008).

The analysis of wholesale trade turnover in regions of the Republic of Uzbekistan is given below (see "Table 1")

Table 1 : The Analysis of wholesale tradeturnover in the regions of the Republic of Uzbekistan

Regions	Years (billion.sum)				
	2013	**2014**	**2015**	**2016**	**2017**
The republic of Karakalpakstan	463,0	592,3	722,2	788,4	905,7
Andijon	831,7	1012,5	1159,1	1218,2	1274,5
Bukhoro	890,3	1213,1	1334,6	1577,1	1646,6
Djizzakh	375,1	473,6	516,4	605,1	762,7
Kashkadarya	1180,1	1472,4	1625,1	1929,0	1943,1
Navoi	472,1	624,8	501,4	616,4	717,5
Namangan	786,9	896,5	1070,4	1330,3	1602,5
Samarkand	1430,3	1831,6	2149,6	3155,5	3259,5
Surkhandarya	649,5	801,8	853,3	1174,3	1573,0
Syrdarya	458,9	499,2	619,2	845,7	925,9
Tashkent	2548,5	3626,2	3729,1	4710,5	4553,3
Ferghana	1356,7	1481,3	1857,1	2252,3	2511,5
Khorezm	608,8	674,2	722,6	774,3	894,8
Tashkent city	9949,8	11549,6	13553,	17324,9	19615,3
Across the country	**22001,7**	**26749,1**	**30413,1**	**38302,0**	**42185,9**

The volume of wholesale trade in the Republic of Uzbekistan varies. In 2017, the share of the city of Tashkent in the wholesale trade of the Republic of Uzbekistan, in the wholesale trade of the Republic of Uzbekistan is 46.5%, Tashkent Oblast 10.8%, Samarkand 7.7%, Fergana 6.0%. , Djizzakh region - 1.8%, Syrdarya region - 2.2%, Khorezm region - 2.1% and the Republic of Karakalpakstan - 2.2% (look at the picture 1).
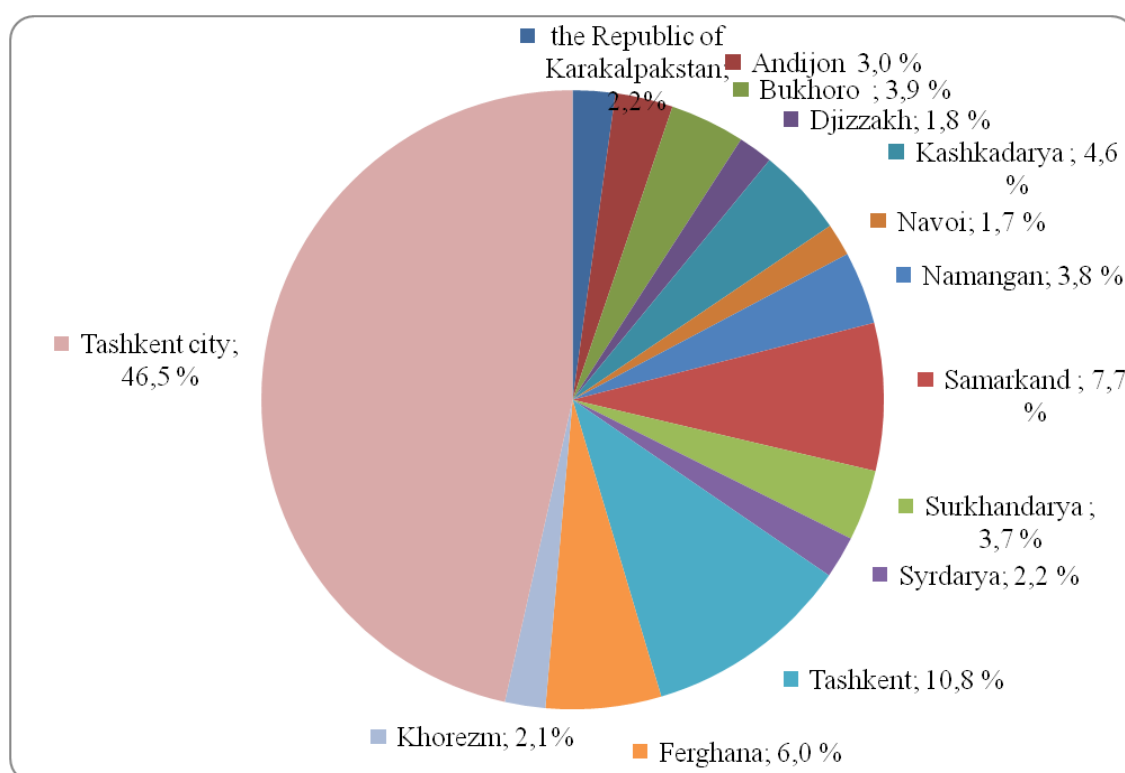
Picture 1. Share of wholesale trade turnover on the territory of the Republic of Uzbekistan,%

Wholesale turnover is the main indicator of wholesale trade. According to the analysis of the main indicators of wholesale organizations of Uzbekistan, in 2005 it amounted to 2819.9 billion Soums. The volume of wholesale trade in 2017 amounted to42185,9 billion Soums. sums. In 2006-2017, the wholesale trade of the wholesale organizations of Uzbekistan increased on average by 114.0 percent (see "Table 2").

Table 2 : Main indicators of wholesale organizations[1]

Years	Wholesale trade turnover, billion. sum	Goods reserves (at the end of the year), billion. sum	The days of goods turnover	The growth of wholesale trade turnover
2005	2819,9	410,1	52	x
2006	3753,2	502,0	49	114,2
2007	5497,4	863,5	57	131,7
2008	7176,4	1206,0	61	116,7
2009	8634,0	1573,5	66	107,9

[1]Annual statistical reports(www.stat.uz)imformations

2010	11774,1	2295,1	70	119,5
2011	15476,7	2828,9	66	118,0
2012	18019,0	3979,4	80	102,4
2013	22001,6	5175,3	85	109,1
2014	26749,1	6659,3	90	111,0
2015	30413,0	7780,1	92	107,1
2016	38301,6	9489,9	89	116,5
2017	42185,9	10767,3	92	110,2

The main economic indicators of wholesale organizations include wholesale turnover, commodity reserves, turnover, etc. Given the trend of the dynamics of the main indicators of wholesale organizations in the country, you can see the general trend of growth. Trade is growing day by day. In recent years, trade has been growing for three months. This, in turn, represents a serious approach to issues related to the management of commodity stocks in the wholesale trade(Razakov Sh & Shakhgunova, 2001).

Wholesalers play an important role in the production of goods as intermediaries in the production-exchange-consumption chain of social reproduction. In the activities of wholesalers, resource management, control and management of the storage level are the main operations and features.

There are a number of reasons why wholesalers need to create and maintain optimal management:

One of the main reasons is to ensure the continuity of the production process. Because wholesale enterprises supply raw materials, semi-finished products and spare parts to manufacturing companies. Due to the lack of sufficient resources, technological failure can lead to large losses in production capacity.

Secondly, the seasonality of raw materials is mainly associated with the activities of firms and companies engaged in the processing of agricultural products.

The third reason is the distribution of finished products in the consumer market. Wholesalers provide supplies of finished products to retailers. At the same time, it is important to have available stocks in wholesale trade.

The fourth reason is that the change in prices for raw materials used by producers is seasonal. That is, when prices are cheap, they create enough stocks and use them for production when prices are expensive.

The main problem with the creation and maintenance of reserves is that a large turnover is "frozen" in the form of raw materials and material resources. This process is called immobilization of funds in the economic literature. The higher the rotation speed, the more profitable the economy. Increased turnover means fewer raw materials and material resources and long-term reserves. To do this, it is necessary to determine the optimal level of resources and optimize them. The analysis of statistical data shows that over the next decades the size of macroeconomic resources and the volume of savings in their savings increased.

Many wholesale trading companies cannot accurately estimate the costs associated with accumulation, and ultimately spend significant amounts of money. However, it is important to note that it is important to estimate the costs associated with stocks.

In determining inventory-related reserves, the following key indicators should cover capital costs, resource maintenance costs, storage costs, and risk-related costs.

The study concluded that in the wholesale business there is the problem of estimating costs associated with the storage and storage of reserves.

Conclusion

At wholesalers, the economic nature of stocks can be explained as follows. Wholesalers are selected and formed for a wide range of consumer orders, are sent in the required quantity, packaged and sent to the appropriate shipping and shipping documents. Thus, wholesalers carry out operations associated with the preparation, loading and shipment of material goods. These operations take a lot of time. Consequently, the wholesale stock of wholesale goods represents the current stock, that is, equal and guaranteed reserves of the customer's order, that is, sufficient stocks to meet the needs of consumers when production is suspended.

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