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INCREASING THE EFFICIENCY OF INNOVATIVE MANAGEMENT OF SMALL BUSINESSES AND PRIVATE ENTERPRISES IN INDUSTRIAL SECTORS

ShokhrukhjonTemirov[1]

ABSTRACT

This article discusses the effectiveness of innovative approaches to the management of small businesses and private enterprises, the economic mechanism of their activity development and its necessity, and models used in planning modern strategies. The measures aimed at the development of the industrial network are defined to increase the economic efficiency of enterprises, the concepts related to the development of entrepreneurial activities in the industrial network and the organization of these processes, the factors determining the development of small business and private entrepreneurship, the factors in the embodiment of entrepreneurship in the industrial network and the enterprises operating in them.

Keywords: *Small Business and Private Business Enterprises, Development of the Business Activity, Innovative Approach to The Management of Enterprises, Entrepreneurial Ability.*

Introduction

Today, issues of development and management of innovative management systems in small business and private entrepreneurship are of particular importance in the growth of the economy of our country.

The industrial sector, considered one of the leading sectors, is one of the sectors that has been making a great contribution to the development of the economy of our country. Taking into account the wide range of opportunities for further development of this industrial network, increasing the efficiency of the network, producing competitive products suitable for international markets and introducing the industrial brand to the whole world are urgent issues.

All measures aimed at the development of the industrial network serve to increase the economic efficiency of the enterprises and the production of competitive products. More effective organization of business activities of industrial enterprises, determining the level of competitiveness in the domestic and foreign markets, studying the level of effectiveness of competitiveness factors, giving appropriate evaluation to enterprises,

The industry is one of the main sectors of the economy of our republic. Because the industry is fundamentally different from other sectors and sectors with its added value creation, its role in meeting the needs of the population and its high-level production locomotive. The development of the industrial network leads to the development of the national economy at a stable pace.identification of the shortcomings and problems and effective use of the experiences of developed countries are of urgent importance.

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In recent years, serious work has been carried out in two main directions to effectively establish innovative management in small businesses and private entrepreneurship. First of all, the development of small business and private entrepreneurship was encouraged. The foundations of legal management in this area have been created.

Secondly, during the continuous continuation of the modernization and renewal of our country, the possibilities of supporting measures to increase scientific potential are being expanded. Our government has adopted several regulatory documents to implement innovative management, as a result of which a wide range of facilities has been achieved in the new organization of management [1,2].

There is a positive experience gained in the legal aspects of the development of innovative management and the implementation of innovative activities based on its principles, but to further improve its activity, it is necessary to increase the scope of the tasks to be performed, and the most important thing is to increase its support from the state. Therefore, it is appropriate to consider measures aimed at solving some problems faced by the government of our Republic in the implementation of innovative management. In particular, the lack of initiative of some administrative employees working in regional and departmental management systems and the superficial approach to this important state task is among the main reasons that hinder the implementation of management in a modern way in the republic.

From this point of view, one of the important tasks is the development of scientific proposals and recommendations in the organization of management of innovative activity through legal frameworks created by the state in the field of regulation.

The purpose of the research is to develop an innovative management system in the era of globalization and to study the problems of managing innovative activities in small business enterprises.

Literature revive

The problems of introducing innovative management in small business and private entrepreneurship have been deeply studied in Western countries and this process continues. It should be noted that I. Ansoff, M. Meskon, M. Albert, F. Khedouri, and K. Howard, who are among the famous economists of the West, have special contributions in this field. Their theoretical works are known worldwide. It is very important to study the experiences of countries such as Japan, the USA, China, and Germany regarding the issues of innovative management in small business and private entrepreneurship [1,2,3].

Among the Russian economists, I. Gerchikova, V. Glukhov, T. Nikolaeva, A. Popov, B. Raizberg, R. Fatchitdinov and others can be singled out for their scientific research in this field.

The work carried out in this field in Uzbekistan is organized based on ongoing reforms, B. Abdullaev, I. Abduraimov, S. Kosimov, N. In the scientific research of economists such as Muminov, and S.Fulomov, considerations were made regarding the use of innovations and their implementation [9,10,11,12].

The mechanism of business development in the industrial sector is a set of methods, methods and principles for organizing and conducting business activities of enterprises in the industrial sector. In general, many well-known economists, including L.I. Abalkin, N.Q. Yoldoshev, Sh.N. Zaynutdinov, G'.M. Qasimov, E.Kh. Makhmudov, and others, gave their opinions on economic mechanisms and development mechanisms [3,4].

V.F. Fil-lipov states that the economic mechanism includes planning, economic supports and incentives, organizational structures, methods and methods, and various forms of labour participation in the development of production, which are the main elements of development [5].

Methodology

The implementation of innovations in any economy is the promotion of scientific and technical progress, bringing the manufactured goods in line with the requirements of world standards, and creating new jobs, as well as creating new jobs, and at the same time, it leads to an increase in the lifestyle of the population at the regional, regional and national levels.

The organization of innovative activities in different proprietary enterprises is carried out in different forms. Although there are many specific forms of organizing innovative activities in small business enterprises, the following main forms can be distinguished: administrative-economic,and initiative aimed at a programmatic goal.

By management of innovative activity in small business enterprises, we understand that it is the use of new methods in the management of any work or the organization of business management with the introduction of innovation. The application of innovations is becoming more important mainly in small business enterprises. Implementation of innovations in small businesses is faster. In particular, the scientific approach is important in the implementation of innovation management. Y. Schumpeter was one of the first to note that innovative management is management based on innovation, its introduction, and practical application [6]. He also confirmed that such management is carried out by more entrepreneurs.

The time between the creation of an innovation and its implementation is called an innovation project. In everyday practice, it is common to compare the concepts of news, innovation, and innovation, when any discoveries, new events, services and methods are accepted for dissemination (commercialization), then they are recognized by the public.

Management of innovative activities in small business enterprises is an object of innovative management and is a specific type of organizational management. According to it, separate directions of scientific, technical and economic activity are determined. In particular, such processes as launching the production process of new types of products, modernizing and improving the manufactured goods, further developing the production of traditional products, and removing from production products that no longer meet the requirements of the times are the essence of management based on innovative activity [7].

The content of innovative activity management is explained as follows:

- development of innovative activity plans and programs;
- monitoring the process of creating and introducing a new type of product;
- discussion of new product creation and production projects;
- ensuring the general innovation policy at the organization level (coordinating separate activities for production units);
- providing innovative processes with financial and material resources;
- provision of innovative processes with qualified personnel;
- creation of temporary working groups to solve innovative problems facing the organizational

structure in a complex manner.

The main purpose of organizing and managing the processes of innovative activity is to take into account the following:

- searching for a new technical implementation option for the problem facing the organizational structure, i.e. making a discovery;
- conducting and conducting scientific research and organizational design work;
- ensuring the production of new products on a mass scale (serial);
- creation of the necessary conditions to ensure the realization of the finished product at the same time as the production process;
- bringing a new product to the market and achieving its acceptance by consumers;
- to increase the competitiveness of the product through the means of continuous improvement of the manufactured product and thus achieve penetration of new markets with its products.

Today, small business and private entrepreneurship are radically changing their importance in the field of innovation and production. In the next 10 years, more than 1/3 of technological innovations in Western Europe were implemented in this sector. For example, in Germany, this indicator reaches 48% [8].

The simplest model of the innovation process in small business enterprises, the famous scientist B. According to Santo, the total is the result of logically dividing the process into separate, functional (structural) parts or stages.

The first stage will be developed based on basic research. Concepts and theories developed in academies, scientific institutes, universities, specialized institutes of branches and laboratories are taken into account. Fundamental research is mainly financed by the state budget on a non-reimbursable basis.

The second stage is the research of a practical nature, with the help of machines, techniques and technological tools, solving special problems and evaluating possibilities. The research will have a practical orientation. Research processes carried out in all scientific organizations are carried out based on budget funds (state scientific programs) and are financed by the customer of these projects. Since the results of applied research are always unpredictable and associated with uncertainty, there is a risk of losing invested funds from this stage of the innovation process.

The third stage includes the stage of implementation of pilot-constructive experimental productions. They are also carried out in specialized laboratories, design bureaus, experimental production, as well as in scientific production laboratories of large industrial enterprises. At this stage, the sources of financing will be the same as at the second stage, and the organizations' funds will also be attracted.

The fourth stage consists of the process of commercialization, that is, the transition to the introduction of the received innovation into production is the main goal of innovative activity.

In small business enterprises, innovation begins with basic research and ends with the use of innovative products. As for the extent of innovation in small business enterprises, it varies functionally depending on technological level, adaptability and external economic conditions.

Today, more than a hundred young scientists are working in various fields in our country. Inventions as a result of their scientific work, in addition to the development of science, stimulate the development of small businesses. For example, in 2014, 12 innovative inventions of our country's young scientists were put into production. Small businesses and private entrepreneurship showed activity in this.

Management and organization of innovative activities in small business enterprises are of great importance. In the early days of independence, innovative management was a completely unfamiliar phenomenon in the environment of Uzbekistan. During the transition to the market economy, state bodies, enterprises, and businessmen began to engage in this activity. The organization of innovation management is a set of rules that teach the system and procedure of innovation management. It determines the main directions of work. Establishes strict procedures in the comprehensive analysis and design of the innovation management system, taking into account the changing conditions. It is easier to implement these processes in small business enterprises.

The growth of the scale of production and consumption, scientific and technical development, different forms of ownership, fundamental changes like work, and the transition to a market economy require a scientific approach to the organization of innovative management.

The reputation of the market is determined by its determination of the scale of organization of production management of complex scientific products in the current account. Market relations will not develop if innovation does not grow and its efficiency increases. That's why it is necessary to activate resources that increase the efficiency of innovations by perfecting the organization of innovation management [11].

Without the theoretical and methodological foundations of organizing the development of innovative management, without conducting scientific research in this field, and designing new organizational structures, without management personnel, advertising and information supply, it is impossible to justify, make and organize management decisions.

The market economy requires the organization of the movement of scientific and technical products in the market, the perfect organization of economic, social and legal management.

The object of managing the innovation process envisages the creation of highly specialized departments, i.e. associations, committees or working groups, for the development of technical policy:

- Creation of new product departments and centralized services to control innovative activities;
- Defining target project groups or centres for new product creation;
- To increase the importance of scientific and technical laboratories, scientific centre departments, which exist in production departments;
- Establishment of special funds and venture departments stimulating innovative activities;
- Organization of consulting services in the field of innovation;
- Creation of special branch laboratories dealing with the problem of new technology adoption.

It is known that the implementation of innovations requires certain funds. Therefore, in the organization of innovation processes in small business enterprises, attention is paid mainly to the use of investments. Therefore, the preparation of a special program for the further improvement of foreign capital attraction at the level of both the central and regional administration of the republic and the development of measures aimed at a specific goal in this direction will ensure the implementation of the above-mentioned issues as soon as possible.

Factors of successful implementation of innovations and stimulation of innovative activities.

Factors of successful implementation of innovations in small businesses and private enterprises include:

- Competitiveness of innovation;
- Strategies and tactics of commercialization of innovation;
- Financial resources;
- State budget;
- Funds of parties interested in the adoption of technologies;
- Allocations of various funds;
- Venture funds.
- Venture firm (an organization engaged in high-risk activities) - is established to implement high-risk innovative projects.

A working group consisting of several individuals who intend to implement a high-risk innovative project (a new technology or a new production method) tries to find the necessary funds. In this way, they establish contact with one or more investors (venture firms). Usually, in such a situation, the role of the mediator is performed by the head of a small enterprise supporting the innovation project. The head of the enterprise who participates in this work should have sufficient knowledge not only in the scientific and technical field but also in terms of production and realization of finished products.

Funds for the promotion of measures aimed at the implementation of innovations in the production units of the organization are established to stimulate the practical activities of scientific research and construction work in connection with meeting the needs of these units.

Groups engaged in consulting and analytical activities. The scope of their activity includes tasks such as studying the characteristics of the development of organizational and economic technologies, predicting their future, studying the demand for new products, selecting promising ideas, determining the topic and direction of scientific research, and coordinating various activities [12].

A "Firm-incubator" structure is established by local authorities or large companies for a specific purpose. Usually, organizations of this type are established to establish the activities of new companies.

The special features of their activity are as follows:

- Assigns buildings, laboratories, test sites, etc. to newly established companies at a low rent;
- Various services are provided on a preferential basis, use of expert assistance in organizational management, technical, economic and legal issues.

Firmincubators have the following organizational forms:

- Unprofitable firms. Their activities are financed by local organizations aiming to solve the problems of social employment and economic development of a particular region.

- Profitable companies. Offers a wide range of services to its contractors without any concessions or discounts, but charges only for specified services.
- Branches of higher educational institutions. In this case, the rent can be quite high, and the institute's laboratories, technical equipment, and library are at the disposal of the tenants. In addition, tenants can be provided with the necessary technical assistance, and qualified services of professors and teachers can be offered.

In the conditions of modernization and liberalization of the national economy, the main tasks of policy in the field of innovation and scientific technology should consist of the following:

1. Creation of legal, economic and financial conditions for the promotion of innovation and scientific-technical development, affecting the increase of production efficiency and competitiveness. In public policy, the scope of the policy directed to the implementation of new techniques should be of motivational importance.
2. The main instruments of the state's innovative development of the economy and technological rearmament of industrial enterprises are the development of targeted programs of the state. In the targeted programs of the state, serious attention is paid to production, especially to the introduction of innovations, which leads to positive results for the benefit of society. State programs develop new technology and put it into practice step by step.

The goals of this program include the following directions:

1. State organization and financial support of scientific and technological innovations, the results of which allow the production of competitive products in medium-term conditions. Solving financial issues by the state makes it possible to produce new technologies and leads to the development of science and technology.
2. Scientific and technical research - conducting practical and technical research, that is, checking the competitiveness of technologies, creating products with its participation, and ensuring the continuity of the industrial production cycle. All this creates mutually compatible conditions in the production process.
3. Cooperation in the implementation of investment projects on progressive, resource-saving innovative technologies developed and adopted within the framework of the program. In other words, it is necessary to direct investments to the introduction of new technology and set it among the priorities of the state program.
4. Creation of new jobs in the fields of scientific innovation and industry. The regulatory system of the state in the field of regulation of scientific and technical development must include the following elements:
   - Taking into account clearly defined goals of state policy;
   - Determination of management bodies and their functions that implement the set goals;
   - Use of the regulatory object and the information system providing information in the full implementation of management functions;
   - Implementation of support and regulatory instruments of state management bodies. Not only do

its elements apply to the main instruments of state regulation of scientific and technical development, but following the system of scientific privileges of the state, direct support of scientific and technical innovations by the state through the allocation of budgetary and non-budgetary resources between the field of scientific research and development becomes a necessity.

- Provision of various benefits to the subjects of innovation processes (reaching both direct entrepreneurs implementing innovations and infrastructure elements supporting them to one degree or another);
- The formation of an innovative environment in the economy and the infrastructure of research and development support, including the national service of scientific and technical information, patenting and licensing, standardization, certification, statistics, analytical centres studying foreign experience, training of personnel forecasting scientific and technical development, and decision-makers based on the priority is to provide scientific, national systems.

In developed countries, tax incentives play an important role in the financial stimulation of innovative activities. They will be aimed at stimulating the direction of the state-desired activities of corporations, including scientific and technical development, the direction of export and innovative business activities. Five main tax benefits can be distinguished:

- Deductions from profits in the amount of capital investments allocated to new equipment and capital construction.
- Deducting the amount of expenses spent on scientific research from taxable income;
- Keeping costs of certain types of equipment used for scientific research as current costs;
- Formation of a special non-taxable fund from the profit fund;
- Taxation of profits in a reduced manner.

In fact, in the fixed policy of the state, priority should be given to the use of incentives in the implementation of new techniques. Because, in such production areas, the volume of expenses increases, it is very responsible and difficult work for any producer. For example, in developed countries, the introduction of new technology into production is carried out in a short period. This process is particularly widespread in Japan and Germany [14,15].

There are markets where a natural monopolist can emerge. Even if there are small companies, it cannot be a rival, it is impossible to create competitive conditions. For example, some agricultural products are grown only on limited land. In this case, it is appropriate for the state to regulate them and keep them under its control.

It is better for the state itself not to create a monopoly, and against the remaining monopolies, it should fight very carefully by law.

Conclusion

Having studied the issues of managing innovative activities in small businesses and private enterprises, we came to the following conclusion:

- Currently, the experience of the world's leading countries shows that in these countries great importance is attached to scientific research and experimental construction work, especially in the small business sector, an advantage was achieved in carrying out innovative processes;

- All innovation projects are supported by the state through legislation.

After studying the data obtained on the scientific-research-experimental design works, we come to the following conclusion:

- Revitalization of scientific research and construction work at the scale of our country and in every enterprise is important at the moment because without fundamental research, new techniques and technology cannot exist;
- In the future, the transition from the ranks of importers of high technologies to the ranks of their producers and exporters should remain the highest goal, because otherwise, we will always remain weak in front of countries with high technologies in the world;
- It is necessary to increase the attention of our state to conduct fundamental research, that is, the necessary environment (laws, regulatory documents, allocation of funds from the budget, etc.) should be created by our state;
- Organizations, institutions and enterprises engaged in fundamental research should be given privileges by the state;

I believe that departments directly engaged in scientific - research, and experimental - design works should be created in large enterprises and foreign plots.

The following can be added to the above conclusions:

- Acceleration of innovative processes is one of the urgent issues because without innovation, it is impossible to restore a competitive product-producing industry;
- To be one of the factors that increase the potential of experts, the production based on high technologies is itself a result of innovation processes.

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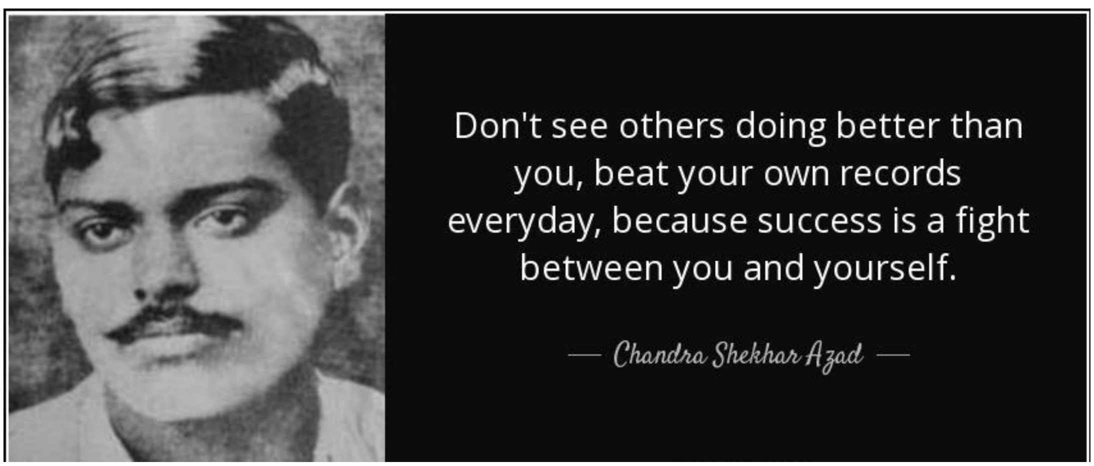

HANDICRAFT CLUSTER OF UZBEKSTAN AS A MODEL FOR THE DEVELOPMENT OF HANDICRAFTS

Ruziyeva Gulinoz Fatilloyevna[1]

ABSTRACT

Today, the development of handicraft production is not only the development of this industry, but also the restoration of national traditions, their preservation in their original form, the creation of centers that serve as a practical basis for providing employment to the unemployed. . The development of handicraft production based on the cluster model serves to increase the coverage of tourists, because it is interesting if, through the creation of "Hunar-zar" centers as part of such clusters, tourists will be able to participate in the process in practice. Thus, it increases even more. The article gives the concept of clusters and studies the directions of the organization of handicraft clusters.

Key words: *Cluster, Craft, Creative Cluster, Model, Catalog, Registry*

Introduction.

The sphere of crafts is multi-level and includes different participants, content areas, levels of training and responsibility. Based on the analysis of historical experience, advantages and problems of the development of the craft sector, the project team proposes to create a unifying space that will enhance the development of the craft sector - a craft cluster. Below, questions will be considered that help to deal with the very concept of "cluster", the conditions and methods for the formation of a handicraft cluster in the Bukhara region.

Research Methodology

Concept analysis methodology was adopted in this paper to achieve the research objectives. All concepts and their sources were an extensive literature review, library searches, a number of different websites, online journal publications, conference proceedings, abstracts, and various institutional reports and publications.

Literature review

The term "cluster", in its current sense, is about 150-200 years old. The phenomenon - the concentration of enterprises of one type of activity in a compact area - was called a cluster by the German economist Alfred Weber. The essence of a cluster is a ―clump‖, the concentration of certain activities in a territory. The formation of clusters took place in several stages. At the first stage, the territory begins to specialize in a certain type of product. First of all, this is due to natural factors: pottery is made where there is clay, wine - where the grapes melt. Natural prerequisites influence the type of specialization, which is then fixed through a system of direct simple reproduction - from father to son.

And the craft is capital, and the tools that grandfather and father accumulated throughout their lives are inherited. This becomes the center of competence. In parallel with the development of experience, there is

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exploration, because different centers of competence compete with each other. This process of competition with each other leads to an increase in the quality of production, which determines the sustainable preference of customers and contributes to the further development of production. At the second stage, the concentration of similar industries in one place gives an economic effect, since there is a possibility of division of labor. For example, within the same type of production, there is a certain technological cycle, which consists of sequential operations (stages). If some operation (stage) is technologically mandatory, but is rarely done, then it is impossible to remove the operation (stage), and it is unprofitable to perform it. Nearby factories of the same type are aware of the problem, and an idea arises: to take this operation (stage) from five chains and combine it into one enterprise that will serve them all, but do it better (higher quality and more productive). Territorial proximity is very important here: people must see each other's problems, agree, and in addition, they must trust the one who took something from them for "outsourcing", respectively, they must know him personally. Therefore, compactness is not only a logistics problem, it is a communication problem. As a result, there is a further deepening of cooperation and specialization.

At the fourth stage, when people are faced with the cyclical nature of economic development, the understanding comes that the positive effect of the cluster - the concentration of the same production in one territory - can play the opposite role when changing the technological platform. The market changed, the technological platform changed, and the territory immediately became depressive. And then the reflection of the cluster phenomenon began: what structure should it have so that it can adapt to economic cycles. For example, it is impossible to concentrate only the same type of production in one territory, it is necessary to develop several cluster initiatives, or a university (research center) is needed as part of the cluster, which will constantly ensure the innovative development of the cluster. In fact, we are talking about the second generation of clusters in which "fuses" against economic crises are "built in". One of the main decisions is the conscious diversification of activities in the territory so that there is a ―vaccination‖ against economic depression due to the change in economic cycles.

The creative cluster is a concept coined by Simon Evans, curator of the UNESCO Creative Cities program. This is a community of creatively oriented entrepreneurs who interact in a closed area. Simply put, it is an ideal habitat for designers, artists, fashion designers, for whom high ceilings and the ability to work around the clock are sometimes more important than domestic comfort. Such places are not only for work, but also for life, for communication and for generating common ideas.

At the end of the 20th century. In developed countries, the traditional industrial strategy has been replaced by the concept of "creative industries", when the source of added value and jobs is the production and exploitation of intellectual property: architecture, music, fine arts, design, fashion, antiques, film and video production, publishing business, advertising, television, radio and Internet broadcasting. The centers of industry are shifting from Europe to developing countries, and the European economy now produces and sells predominantly an intellectual product. In practice, this concept is embodied in the creation of "creative clusters" - associations of independent creative enterprises and workshops that appear on the site of former industrial zones. After this, the concept of a handicraft cluster was born, which is considered creativity.

The characteristic features of a cluster are:

- Maximum geographical proximity;
- Relatedness of technologies;
- Common resource base;

- The presence of an innovative component.

During discussions at the turn of the 21st century, seven main features of the cluster were identified:

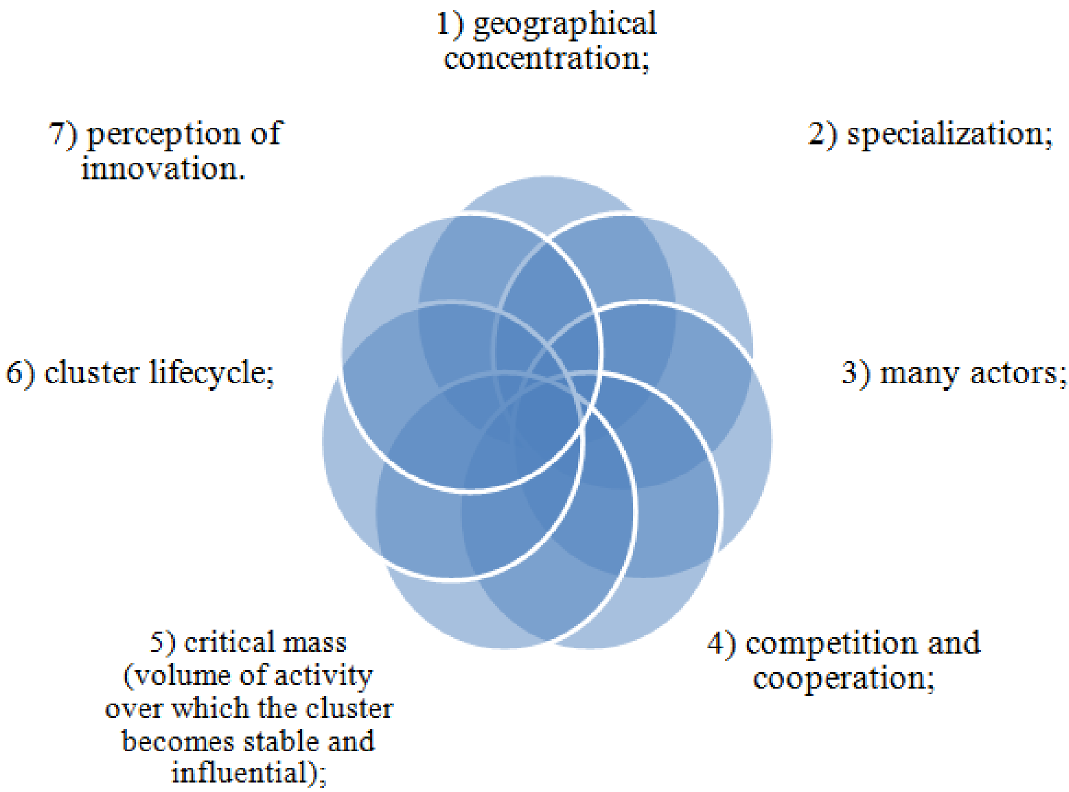

Figure 1. Name of the main features of the cluster

At the moment, in the Republic of Uzbekistan, the concept of a cluster is enshrined in law.

Geographical concentration of subjects of handicraft activity provides: - the opportunity to benefit from the distribution of costs for the maintenance and development of resources common to several companies; - low transportation costs and fast delivery times for goods (raw materials, tools, etc.) or services (engineering, design, financial services, etc.) necessary for business; - dissemination of implicit knowledge, that is, those knowledge and experience that cannot be easily formalized and transferred, and are closely tied to the people wearing them; - the exchange of tacit knowledge, based primarily on personal contact, allows you to create a market for skilled labor, which allows instead of organizing the transfer of knowledge to involve its carrier in the ranks of the company (these circumstances explain that certain types of craft or approaches to craft are usually developed and practiced in strictly limited territorial limits); - the possibility of informal communication between company representatives and consumers of products located in its area; - in the course of constant small conflicts (competition within the cluster), the system as a whole is optimized.

Constant interaction and exchange of information within the cluster leads to the adoption and dissemination of internal systems of restrictions, which are expressed in standards and standard procedures, which determine the minimum required level of quality of handicraft products. A large number of heterogeneous handicraft small and micro companies, as well as a large number of artisans, as a result of cooperation with each other, can receive some compensation for the lack of economies of scale. The process of forming a craft cluster can be based on joint marketing and sales, communication opportunities.

In addition to artisans, artisan entrepreneurs and craft organizations, a craft cluster may include:

- Public organizations of artisans;
- Craft business incubators, craft production sites for collective access, craft workshops, etc.;
- Regional and municipal organizations in the field of culture (museums, ethnographic centers, etc.);
- Individual specialists and public organizations of artists, designers, planners, etc.;
- Travel companies, public organizations of travel companies, regional and municipal tourist information centers;
- Organization of vocational training (middle and higher levels of vocational education) for artisans and craft-related professions (artists, designers, tourism industry specialists, etc.);
- Training and consulting companies, as well as individual specialists in the field of marketing, advertising, etc.;
- Entrepreneurs and commercial organizations engaged in the sale of souvenirs and handicrafts, handicrafts;
- Public spaces (exhibition halls)
- Specialized services (employees) of the executive authorities of the regional and municipal levels (cultural, economic, tourism).

In general, two models of the formation of handicraft clusters can be distinguished:

1. The first model "Creating new spaces":

"Additional measures to further develop handicrafts and support artisans" adopted by the President of the our Republic on November 28, 2019 in order to increase the incomes of the population, ensure employment of the unemployed population, especially young people, women and low-income families by involving them in handicrafts decision № PQ-4539 is a clear proof of our opinion.

In accordance with this decision, today the regions of the republic are specialized in the main directions of craft activities, and in order to help them display and sell handicraft products in foreign markets, diplomatic missions of Uzbekistan abroad are attached to them, and "trading houses" and national handicraft products are located in other large cities where diplomatic missions of the Republic are located abroad.

From 2019 until today, in order to ensure the implementation of the decision, the "National Catalog of Masters of Applied Folk Art" was introduced, and the catalog includes artists and scientists in the relevant field and academicians who have been recognized as winners or laureates in events such as prestigious international exhibitions and competitions. 336 artisans were included based on the decision of the council on selection of candidates to be included in the national catalog of masters of folk applied arts with the recommendation and the honorary title of "People's master of the Republic of Uzbekistan".

It is intended to encourage experienced and talented craftsmen who have been working in the field of national crafts and folk arts and who have made a great contribution to the development of the field in the National catalog of masters of folk arts, served as a practical basis for international promotion of its samples as an Uzbek brand, preservation and restoration of unique and disappearing types of folk art. All interested parties will be able to follow the list of craftsmen included in the national catalog and information about them through the website www.handicraftman.uz.

"Hunarmand" association launched the National catalog in the form of an open and publicly accessible website from January 1, 2020. Launching this catalog in the form of a website can serve to familiarize the world market with the activities of craftsmen. Because most of the foreign countries turn to web-pages in order to get online information before visiting our country. Carrying out the activities of artisans in them can serve to increase the flow of tourists.

Setting the state duty for new state registration in the main areas of handicraft activity at 50 percent of the state duty for individual business activities will also serve to increase the number of registered craftsmen.

At the same time, the "Register of craftsmen working in the field of tourism" was started. Until January 1, 2023, for artisans included in the National Catalog and Register, a single tax payment rate of 2 percent will be paid by individual entrepreneurs for the amount of income from the sale of handicraft products (works, services) from 100 million soums to 1 billion soums during the calendar year.

In short, the decision of the President of the Republic of Uzbekistan dated 28.11.2019 No. PQ-4539 is to make more handicraft products that combine our national identity and age-old traditions, to turn these products into a business card and tourism brand of our country and, of course, to continue the tradition of "Master-Disciple". It is no exaggeration to say that it has been an important factor in continuing to attract young people to vocational training.

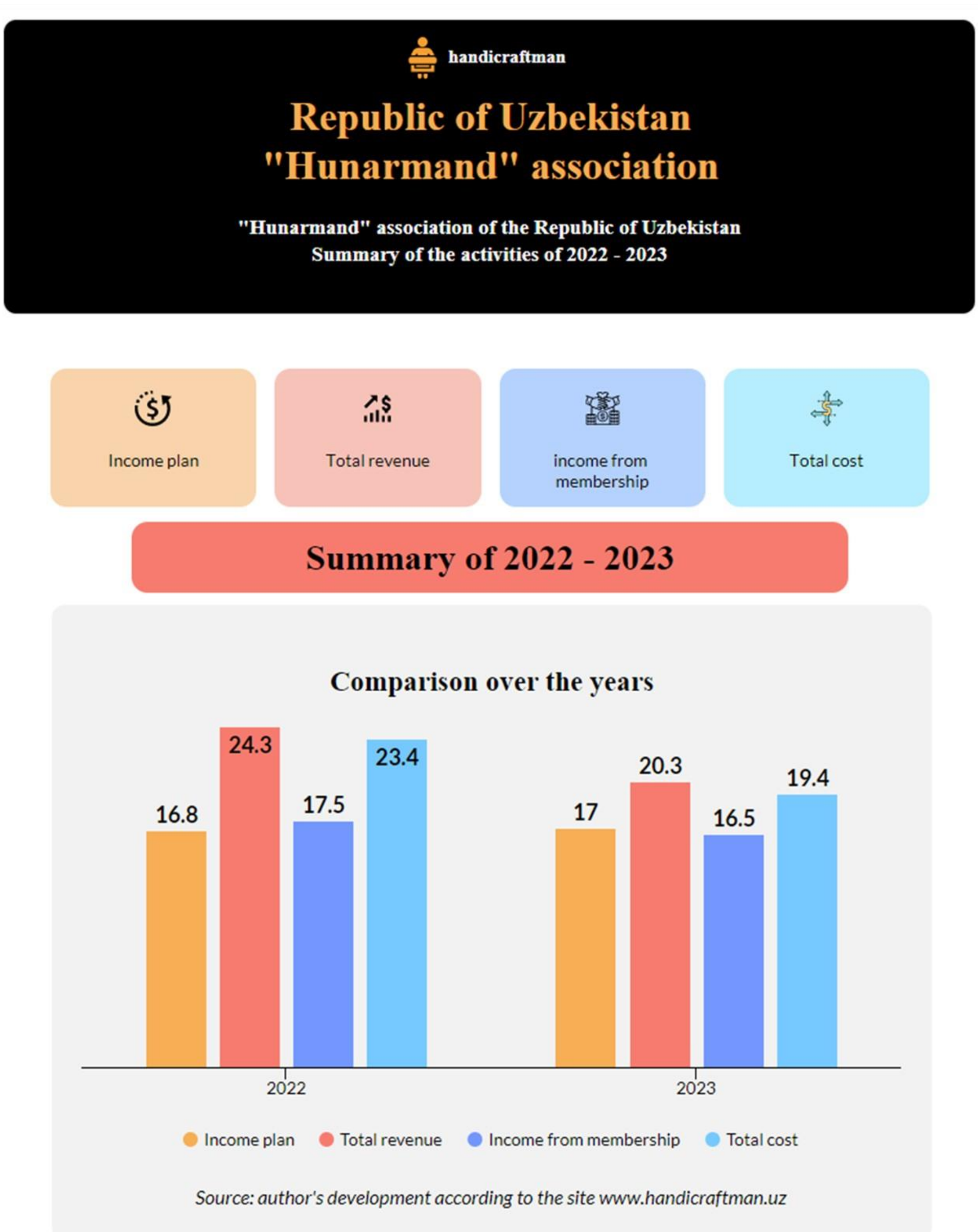

Figure 2. Information of the "Hunarmand" association

The increase in these numbers is related to the benefits created by the state and the legal protection of the rights of artisans. In this case, the members of the association will have benefits from paying a single tax payment on the income received from the sale of folk art crafts and applied art items produced by them, in accordance with the procedure established by the legal documents, the association a members will have the opportunity to participate with their products in exhibitions, festivals and spiritual-educational events held in Uzbekistan and foreign countries performs social protection works of union members based on the contract with the company.

In addition to the general scale of the republic, a number of changes are being implemented in the field of handicrafts in each region, in particular, 8 handicraft centers have been established in the Bukhara region, and the craftsmen working there are going to foreign countries for the purpose of exchanging experience. During the visit, artisans promote our national values and traditions to the general public.

In particular, on April 22 and 23 of this year, master classes on miniatures of Davlat Toshev from Bukhara were held at the Institute of the Arab World in Paris. He is considered one of the skilled Uzbek miniaturists recognized by many, and before that his works were exhibited in international exhibitions, in particular, "Craftsmen of Central Asia" in Kazakhstan (2001-2003), "Uzbek Miniature" in Paris. (2005) and exhibited at exhibitions in Santa Fe, USA (2009). Also, in 2019, he founded the "Ustoz-Shogird" Children's Applied Art Center.

The artistic miniature clearly reflects the understanding of the cultural identity of the Uzbek people. It encourages to re-perceive the examples of spiritual value and perfection of the society formed in the Middle Ages, adapting them to the needs of modern life. Today, miniatures have become a unique and important type of practical decorative-color images to give more grace to leather, wood, porcelain and ceramic products.

2. The second model "Contractual model in the form of cooperation of small producers" (Italian cluster model).

In Italy, a cluster is called an "industrial district". Industrial districts, as a rule, are located in small towns, and local municipalities play a significant role in the development of the cluster. The cluster consists of a large number of small firms that unite in various associations to increase their competitiveness. In this regard, a number of works are being carried out in our region today.

Based on today's statistics, the number of members of the association registered through the "Register of Craftsmen Working in the Tourism Sector" system is 64,807, the total number of union members in the system is 26,890. the total number is 1197 people.

About 1,200 craftsmen are included in the register of craftsmen working in the field of tourism, of which 213 are craftsmen of Bukhara region. According to the decree of the President of the Republic of Uzbekistan No. PF-5242 dated November 17, 2017, the number of artisans working in the main directions of 34 handicraft activities in the region represents the following numbers in the district section in the 9th month of 2022:

- Olot district 51
- Bukhara district 170
- Vobkent district 154

- Bukhara city 580
- Gijduvon district 393
- Kogon city 84
- Jondor district 149
- Kogon District 80
- Karakol district 102
- Korovulbazar district 12
- Peshku district 118
- Romitan district 189
- Shafirkon district 90

The total number of artisans registered in the artisan union is 2172.

The increase in the number of artisans over the years, in turn, is important for the increase of the population's income, the growth of the import and export potential of the region, and first of all, the employment of the unemployed population.

Conclusions

For Buhari, the craft cluster strategy may be one of the few viable strategies in some areas that are badly needed to concentrate resources and mutually reinforcing fields. The cluster strategy will also be used as a basis for the Shafirkan district. Because in this area there is no production and many of the population are unemployed. Obviously, the specificity of Bukhari suggests the possibility of developing two models of cluster initiatives: cooperation in a regional city and the organization of new spaces in a region with difficult economic conditions to get out of the current situation.

To date, a number of works have been carried out in the handicraft sector of the Bukhara region, but it would be advisable if the following directions for the development of the industry were developed, reducing the number of unemployed, restoring disappearing traditions, and developing the tourism sector:

- A center of crafts has been created in the region, which conducts regular basic training seminars.
- Handicraft centers have been created in the Bukhara region, where handicrafts are developed, in particular, jewelry, pottery, and copper. It is expedient to increase the number of such centers, especially to organize their opening in the regions;
- Creation of new types of cultural centers - multifunctional cultural centers;
- An art residence has been opened in the city of Bukhara, in which young people will study culture, being engaged in creative industries, so that everything will happen;
- Create a number of educational institutions and organize institutions where you can get a special education in the field of arts and crafts, crafts, design, and improve the skills of specialists in them, as well as some secondary vocational educational institutions that teach specialties directly related to the craft sphere.

- A very small number of handicrafts are registered as small businesses and do not receive financial support in this capacity in the form of grants and subsidies for the purchase of equipment;

In addition, as a result of the study, we found that the characteristic cluster was provided by:

(1) Maximum geographical proximity: the cluster operates within the same region - Bukhari.

(2) Technology of kinship. The cluster members are those who work in the field of folk crafts, and also create handicraft products based on the cultural heritage of the peoples of the region.

(3) Public resource base: Creation of production and technological chains, the participants of which will be provided with support and rational distribution of raw resources.

(4) The presence of an innovative component: Based on the cultural heritage of the peoples of Bukhari, creative industries will be developed.

The Bukhara handicraft cluster will be a formal and informal organizational structure that exists in the republic and is active.

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THE SELF RELIANT INDIA AND ECONOMIC DEVELOPMENT IN THE 21ST CENTURY WITH REFERENCE TO IMPACT OF E-COMMERCE AND MARKETING INNOVATIONS ON RURAL AND URBAN CONSUMER BEHAVIOR

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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: Product and Service Innovations, Rural Marketing, Urban Marketing, E-tailing, E-Commerce.

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).

Direct marketing is the use of consumer-direct channels to reach and deliver goods and services to customers without using marketing middlemen. The extraordinary growth of direct marketing is the result of several factors. Market demassification has resulted in an ever increasing number of market niches. In developed markets, several factors such as higher costs of driving, traffic congestion, parking headaches, lack of time, a shortage of retail sales help, and lines at checkout counters encourage at home shopping.

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Consumers appreciate toll-free phone numbers and web sites available 24 hours a day, 7 days a week, and direct marketers commitment to customer service. The growth of the internet, e-mail and mobile phones has made product selection and ordering much simpler. Home shopping can be fun, convenient and hassle free. It saves time and introduces consumers to large selection of merchandize. They can do comparative shopping by browsing through mail catalogs and online shopping services.

E-business describes the use of electronic means and platforms to conduct a company‘s business. E-commerce means that the company or site offers to transact or facilitate the selling of products and services online. E-marketing describes company efforts to inform buyers, communicate, promote and sell its products and services over the internet.

We can differentiate between pure-click companies, those that have launched a Web Site without any previous existence as a firm, and brick-and-click companies, existing companies that have added an online site for information and/or e-commerce.

The Indian Rural Market

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.

Marketing is a dynamic discipline and it adapts itself to the demographic and psychographic of the target population. Gone are the days when the rural consumer went to a nearby city to buy branded products and services. Today, all eyes are turned to the world‘s most promising market with a potential of 742 million rural consumers. Rural India constitutes the heart of India, generating more than half the national income.

Consumers and Technology are changing Branding Paradigms. The shift in the socio-cultural environment resulting in the emergence of various new segments of customers have made it a must for companies to shift their resources from traditional products, distribution and communication channels. At present, the companies are continuously engaged in their brand makeovers, and in making use of sprouting technology. They need to realize the fact that the key to sustain in this fierce competition is to bring innovations in their product designs, distribution channels and the marketing communication tools used by them. The world has become digital with the Internet Revolution and has made it necessary for the marketers to discover innovative ways of reaching an d presenting their products to consumers.

Research Objectives:

1. The objective of the paper is to study the impact of e-commerce, product and service innovations in the rural and urban market of India.
2. The objective of the paper is to understand rural and urban consumers and their consumption behavior.

LITERATURE REVIEW:

1. An estimated 68.84% of the total Indian population living in villages (Census 2011) makes rural India the ‗next big thing' for businesses. The sheer size of rural India give it a significant share in the total Indian market, which from the marketer‘s perspective, translates into a huge customer base. Just like everything else in India, rural India too is changing. Education, access to technologies, and progressively increasing purchasing power is the new face of rural India. The analysis reveals that in spite of the recent growth and a promising future, at present, the rural markets are weighed down by inadequate infrastructure, lack of proper linkages for roads and railways, and limited electrification and telecom connectivity. Fragmented demand pattern further adds to these challenges. **(Mohd. Azhar Suharwardi & Iqbal Ahmad Hakim, 2014)**

2. The world is moving towards Electronic Commerce activities at a very fast pace. Internet enables consumers to perform many stages of the sales process in a quick and efficient manner. It also provides comprehensive product information, facilitates comparison shopping, and allows for a condensed sales process. The risk perception associated with internet shopping affects online buyer‘s purchase decisions. Researchers established that online shopping rate is negatively associated with the risk perceptions towards online buying. (Miyazaki and Fernandez 2001). Therefore,safe and responsible handling of online buyer‘s information is the key to attract and retain those customers (Briones 1998). Gefen‘s (2000) research indicated that consumer trust influences purchase intentions. Factor analysis revealed that eight important factors such as accessibility of information, reliability of information, availability of information, search-ability factor, convenient facility, security concern, trust concern, quality factor were identified. Online buyers could gain the ability to search for products not on display, gather information without taking up the salesperson‘s time and even purchase or pay for products for immediate delivery, when conducting online shopping. It is clear from the research conducted that security is the important factor for online buyers when they conducted the shopping online. Customers want that the information of the product should be clearly mentioned on their respective websites. Another factor which influences the buyer is the reliability factor. Therefore, online transactions should be secure, reliable and trusted in order to attract and maintain existing internet users. The consumers hope that trading through the electronic media is safe and dependable and also they expect good value for their money. **(A. Sajjevan Rao & Mokhalles Mohd. Mehdi, 2010)**

3. With the liberalization and growth of the Indian economy since the early 1990‘s , the Indian customer witnessed an ever increasing exposure to new domestic and foreign products through different media such as television and the internet. The tech-enabled world is small but growing fast. The market change in consumer attitudes towards buying on the Internet has been largely catalyzed by the low cost transactions over the Internet. On the Internet, product information is just a few clicks away. The need to re-invent the market place by offering more options for the buyers to have a wide market experience without actually going through the pollution, dust and grime, the ever present coaxing seller who leads forcefully to buy one or the other item without giving a breather. For users who lack time and opportunity to visit a physical store and for those who live in cities, where traffic is a nightmare and parking a problem e-tailing is the trump card. While the number of sellers is expanding, it has a proportional effect on the buyers too, with the present generation being net savvy, e-commerce comes as a boon to the time starved people. The three most prominent and

characterizing qualities that define the success stories of B2C sites are adoption of multiple modes of payments, various online items for sale and a very strong focus on customer service and delivery. A proven strategy for e-Tailing to be really successful in India is a double channel strategy, where an online presence co-exists with a strong offline support channel. So it is brick and click based business models that re-instill the best, as proven by the global trend in the apparel and grocery segments. **(Nazia Sultana, 2008).**

4. Electronic retailing, most commonly known as E-tailing, is nothing but shopping through the Internet and other media forms. E-tailing is, ―retailing conducted online, over the internet‖. E-tailing is synonymous with business to consumer (B2C) transactions. E-retailing comes under e-commerce. E-tailing helps retailers to build loyal customers and is aimed at selling in areas where do not have physical presence. E-commerce and E-tailing, from a business perspective, offer an opportunity to cater to consumers across geographies, with no operational timings, unlimited shelf space – and all this with miniscule quantity of infrastructure. Most growth drivers are in India‗s favor – demographics, economy, changing life style, exposure to new ideas. There is no doubt that India is moving towards broadband, and is experiencing strong growth in Web-based sales. **(D. Muthamizh Vendan Murugavel, 2010)**

RESEARCH METHODOLOGY:

- Data type: Secondary data.
- Scope of Study: Indian rural market
- Research Type: Descriptive

Opportunities and Challenges of E-Commerce in Rural and Urban India

1. Customers have much wider choice at their fingertips through e-tailing and e-commerce.
2. With the web search capabilities, it is easier for the consumers to find the type of goods they are searching for.
3. E-tailers can use the price discrimination more efficiently.
4. E-tailers can change the product placement (user display) based on previous transactions, to increase the visibility of goods that the user is more likely to purchase.

Challenges of E-TAILING and E-COMMERCE

1. Not all the consumers have access to internet facility.
2. Ease of use is a problem, as the web site design is still complex, or at least somewhat chaotic.
3. There are problems with the payment system. There are consumer concerns and they are also dubious regarding the online payment system through the credit cards. Hence, different payment options should be made available to them like the cash on delivery and net banking to give them further assurance.
4. The customers should be assured that the online retailers are not only available online but offline as well.

5. There are mounting competitive pressures. To attract customers, the competing online players are adopting all means to provide products and services at lowest prices.
6. Another reason why the concept of e-retailing or online retailing has not gained prominence in India is that Indian consumers in general prefer to touch the product physically before buying them.
7. The critical success factors for improving the e-tailing the business are: a need to run the e-business like a bricks-and-mortar store by rigorously measuring performance against classic retail metrics such as gross margin and customer order size.

Future of E-TAILING MARKET IN INDIA:

E-retailing and E-Commerce, though at its initial stage in India, is surely showing signs of impressive and significant growth. A majority of the retail sector in India is unorganized. Nevertheless, big brand retailers, with their investment capacities are likely to focus on e-retailing in the near future. With an ever increasing internet population, the e-tailing market in India is expected to grow at an accelerated pace.

Utility of the Study:

The study highlights the immense potential of the Indian Rural Market, Challenges, Opportunities, innovative product and service marketing strategies, e-tailing, e-commerce and trends to tap the Indian rural market.

Conclusion:

The key challenge that companies face in the rural market is to identify and offer appropriate products without hurting the company's profitability or margins. Companies should recognize that rural consumers are quite discerning about their choices and customize products and services accordingly. The feedback of online buyer should be captured to identify flaws in service delivery. Thus, unless the issues surrounding the e-tailing market are addressed, the benefits provided by the industry would fail to attract high value and volume of transactions.

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THE MAIN DIRECTIONS OF STATE SUPPORT FOR THE RESTAURANT BUSINESS SECTOR

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ABSTRACT

This article presents analytical information about restaurant entrepreneurship in our country, restaurant market, ways to attract foreign investments to restaurant entrepreneurship, conceptual foundations of restaurant business development in our republic, forms of state regulation of the restaurant business market in the republic, concepts related to the competitiveness of entrepreneurial structures in the restaurant business market.

Key words: *Restaurant Market, Transformation Process, Restaurant Business, Restaurant Business, Free Economic Zones, Restaurant Business Certification, Hospitality Industry, National Projects, Restaurant Business Infrastructure.*

INTRODUCTION.

Speaking about the state of the restaurant market today, it should be noted that any entrepreneurial activity, in particular, the restaurant business, directly depends on the general economic situation in the country.

In the conditions of transformational processes in the economy, the importance of restaurant entrepreneurship is also determined by the fact that small business entities and entrepreneurial structures that are part of the district (city) infrastructure provide employment to the population, their successful operation and increase tax revenues to the budget, making a significant contribution to increasing economic growth. This leads to an increase in economic and social indicators of regional development**.**

State support is important in the development of entrepreneurship in various sectors of the economy. Also, today, a significant part of the financing of business activities in our republic is still provided by the state. Analysis of the impact of the regulatory framework in this field on the development of entrepreneurship in our country shows that the mechanism of state influence includes legal, organizational, management and economic measures.

LITERATURE ANALYSIS AND METHODS.

Scientific and research works devoted to the theoretical and practical aspects of the development to small business and private entrepreneurship in the field of service provision are widely found in the economic and mass literature of foreign countries, especiallythe CIS countriesandourrepublic.

The problems of development of services in small business (entrepreneurial) activities, its role in the modern market economy have been thoroughly studied by Uzbek and foreign scientists. Kotler F., Cravens,

[1] Basic doctoral student of Bukhara State University,

David W., Lamben on the topic of service delivery in small business enterprises. JJ, Chumpitas. R., Shuling I. scientists have studied.

Demidova L.S., T.P., scientists from the CIS countries, analyzed the role of independent institutions in the development to services in restaurants and their various aspects. Danko, Lukina A.V., Krasyuk R.P., Konoplev S.P., Konoplev V.S[1]. scientific works are dedicated.

Many scientists of Uzbekistan, including A. KhVakhobov, who conduct scientific research in various are as of economic science, areconcerned with these problems. A. Sh. N. Kh. Jumaev, A. Sh. Bekmurodov., M. R. Boltabaev, I. A. Akhmedov, J. Jalolov, A. A. Fattakhov, M. S. Kasimova, D. A. Shodibekovaand others[2] engaged in are coming.

In our republic, the research conducted by the scientists of our country, dedicated to the development of the spheres of service provision on the basis of international standards, is not enough. Peculiarities of service industries and some theoretical and practical aspects were discussed by M.K. Pardaev, G. Gudratov, B.A. Abdukarimov, Q. Mirzaev among the economists of our country. and Fayziev E. cove red in the work of others. In their work, they researched the specific features of the development of these rvicesector, the concepts of its development, ways and methods of solving socio-economic problems. However, the fact that our government tenvi sages further strengthening of entrepreneurship in the field of services, its importance in providing employment and increasing its share in GDP indicates the relevance of this chosen to pic and the fact that not enough work has been done in this regard.

RESULTS.

According to statistical data, fo reigninv estments in there staurant business are mainly directed to regions with developed infrastructure, infrastructure facilities with hight our is potential, developed free economic zones and convenient communication systems.

Active development and improvement of market infrastructure in the field of trade and catering, including restaurant business, is one of the most important problems, and its solution is aimed at bringing the economy to a modern evel. It successful solutionis a pledge to stabilize the domestic economy, eliminate economic in stability and transition to sustainable growth, increase the efficiency of production and commercial structures in the system of internal and external economic relations of economic entities[3].

Taking into account the specificity of factors such as the operation of free economic zones and the availability of a convenient communication system, two aspects of the development of economic entities in the restaurant business are considered:

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[11]Демидова Л.С. Сфера услуг в постиндустриальной экономике. – Мировайа экономика и международные отношенийа. М: Наука, 2008. 217 с.;Т.П. Данько и др. Количественные методы анализа в маркетинге. – СПб.: Питер, 2008. – 234с.; Лукина А.В.Маркетинг товаров и услуг: учеб.пос. - М.:ФОРУМ,2008.- 65 б.; Красюк Р.П. Хранение непродовольственных товаров на складах оптовых баз. –М.: Высшайа школа. 2002.

[2]Vahobov A. va boshkalar. Halkaro moliya munosabatlari: DarslikG`Mual: A.Vaxobov I Jumaev U.Burxonov -T: "Shark", 2007. 277-bet.; Shodibekova D. A., Pulatov N.T., Shodibekov D.I. ―Kichik biznes va menejment‖ (o'quvqo'llanma). – T.: , Iqtisodiyot 2013. 292 bet. Shodibekova D. A. ―Biznesga kirisht‖ (o'quv qo'llanma). – T.: , Iqtisodiyot 2016. 260 bet

[3]Синяева И.М. Коммерческая деятельность в сфере товарного обращения: Учебник.- М. ЮНИТИ-ДАНА, 2009.

1. Optimizing the activities of state structures that regulate entrepreneurship in the restaurant business from the point of view of infrastructure development. The most important conditions for state regulation of entrepreneurship in the restaurant business are the following: consistency, that is, the formation of infrastructure elements that make up the system in the restaurant business (including through the introduction of legal regulation and systematic mechanisms of state management; helping to create a transparent and efficient competitive market structure; developing and implementation; distribution (that is, the delimitation of functions between different levels of the market for the development of entrepreneurial structures in the restaurant business sector: social protection of the population (usually in a sanatorium-resort complex) and directed to support the development of advanced investment institutions and activities (usually in the construction and renewal of basic funds) determining the forms of assistance and the amount of benefits (by program participants).

Organizational provision of the conceptual foundations of restaurant business development in our republic implies the following activities:

- Wide introduction of foreign investments and investments of business entities in the underdeveloped infrastructure of the restaurant business;
- Coordination of regulatory bodies to prevent low-quality products and services from entering the restaurant business market;
- Assisting small business entities in business planning and implementation of investment projects for obtaining investment loans;
- Coordination of work on organization of restaurant business certification;
- Organization of training of personnel potential of restaurant business;
- Formation of a single information system for the development of the restaurant business market;
- Organization of information events in the mass media on the development of the restaurant business market.

DISCUSSION.

Optimizing the forms of state regulation of the restaurant business market in the republic, on the one hand, establishing state control over ensuring the safety and quality of restaurant business products, and on the other hand, should be based on the implementation of comprehensive measures on the system of strategic state goals for the development of the restaurant business market.

The most important fundamental condition for optimizing the forms of state regulation of the restaurant business market is systematization, that is, the formation and distribution of the infrastructure and functional dependence of enterprises in the restaurant business market through the introduction of system-forming elements, including legal regulation and general mechanisms of state management, that is, it consists in limiting the functions of development of market enterprises between the republican and regional levels.

Optimizing forms of regulation by the state will help the more systematic development of the restaurant business market and its related infrastructure, the improvement of restaurant services, and the introduction of innovative technologies into the network.

In many cases, the development of the hospitality industry is considered an object of the country's economic development programs. Such programs include: "national projects", social catering, tourist complex systems and infrastructure, development of inbound tourism, development methodology of cities and regions, programs to improve the quality of life of the population, as well as many projects in the field of sports development, mass construction, nationwide urban development planning and development.

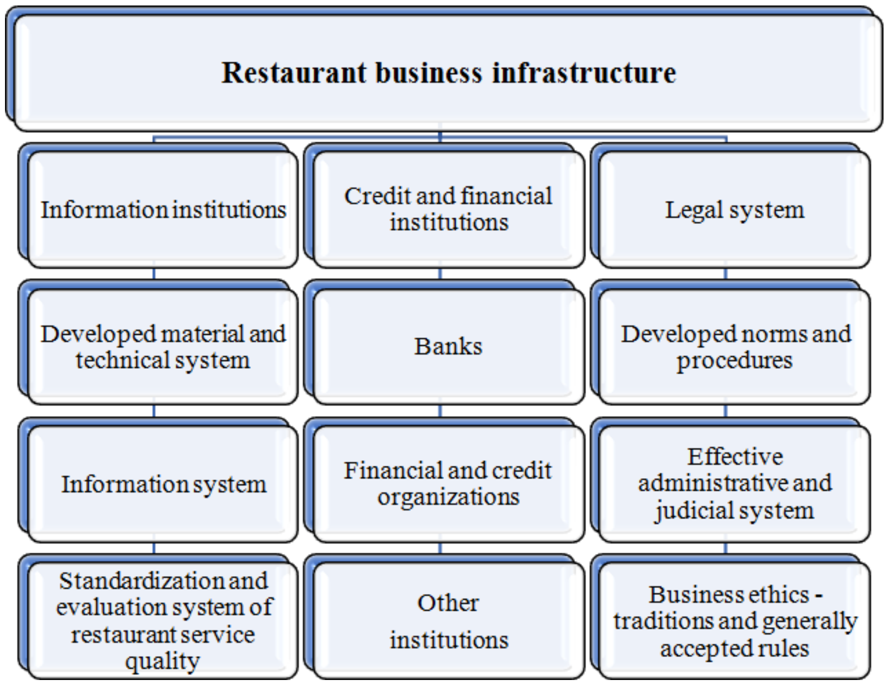

Figure 3.3. A component of the restaurant business infrastructure[1]

It also includes state programs for the development and support of small and private entrepreneurship, including the food and entertainment industries. It can be said that the catering industry keeps up with the times and develops in line with the country's development.

A distinctive feature of the national economy is the lack of complete information, financial and legal infrastructure for the restaurant business industry, which creates the necessary conditions for effective competition in developed countries. The development of existing institutions provides an opportunity to significantly increase the investment attractiveness and potential of the restaurant business (Figure-3.3).

In order to evaluate and choose the methods of infrastructural development of the restaurant business industry at the regional level, it is necessary to review the existing forms in the restaurant business, which allows to identify the limitations and existing problems in terms of regulatory, legal, socio-economic and structural aspects.[2] (Figure-3.4).

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[1]Developed by the author.

[2]Чарыева М.О. Интегрированный подход к формированию инфраструктуры общественного питания современного мегаполиса: Теория, Методология, Стратегия Дисс.. .уч. ст. д-ра. экон, наук Москва 2009.

Through Figure-3.4, it is possible to draw a conclusion about the development or underdevelopment of competition in the field of restaurant business in the central regions, the appropriateness of regulatory bodies to change the situation, and the forms of influence.

The development of a system of organizational and economic measures aimed at increasing the competitiveness of business structures in the restaurant business market should, first of all, be based not only on a comprehensive systematic analysis of the state of this market and forecasting its development prospects, but also on comprehensively considering the changes in socio-economic relations that are taking place at the current stage, it is necessary to analyze, assess the possibilities of its regulation and control by the state.

The restaurant business is an important system that forms the budget and forms the basis of financial stability at the national and regional levels. In the conditions of the development of market relations, the restaurant business in our country has undergone radical changes. This created a wide competitive environment and very high entrepreneurial activity.

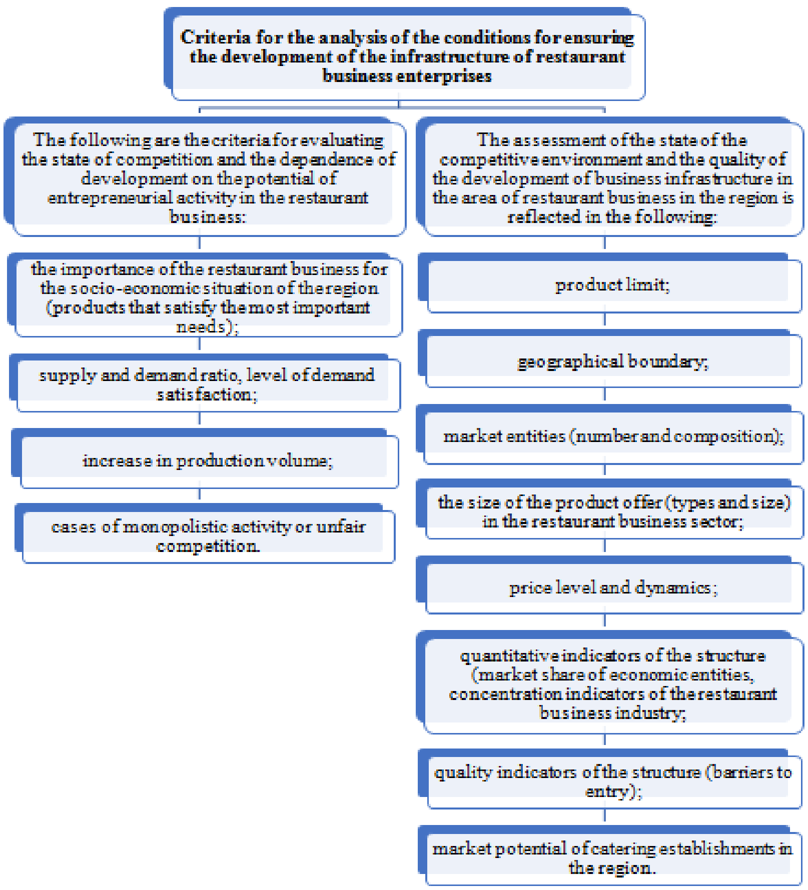

Figure-3.4. Criteria for the analysis of the conditions for ensuring the development of the infrastructure of restaurant business enterprises[1]

[1]Developed by the author.

The changes implemented in the restaurant business have had a positive effect on the development of the consumer market, which is currently characterized by deep saturation. The volume and structure of sales in the restaurant market are expanding and developing steadily.

To ensure the stability of the state regulation system for the restaurant business market, it is necessary to establish a system of mutual cooperation with non-governmental organizations for the development of the restaurant business and a horizontal interagency approval system.

In our opinion, the state regulatory mechanism should be based on the following principles:

- Abandoning direct management of restaurant business enterprises and focusing on managing the processes occurring in the restaurant services market.
- Adequately and consistently satisfying the needs of various segments of the population for restaurant business services.
- Ensuring the equality of restaurant business entities before the law, regardless of their organizational-legal and ownership forms.
- Assigning certain organizational and economic functions to state bodies.
- Clearly separating the macro and micro levels in the system of state regulation, and clearly distributing functions between these levels while maintaining a common approach to the problem of state regulation of the restaurant services market.

The main requirements for restaurant market enterprises include having the necessary licenses, complying with sanitary and hygienic rules, certifying general catering products, and following rules for providing general catering services.

It is appropriate for the state to be responsible for controlling the quality of raw materials and prepared meals to ensure their safety. The purpose of product control is to provide consumers with a guarantee of safety, particularly by regulating food preparation technologies.

Currently, the restaurant business market is the most challenging field in terms of effective quality control. Many types of processed raw materials and the names of dishes on the menu require monitoring of numerous indicators. Since the raw materials used in restaurants are perishable, a rapid control system that allows for timely response to negative quality changes during the production of finished products is necessary.

Undoubtedly, optimizing the state regulation of the restaurant business market by improving the certification process requires a comprehensive approach to the development of a system of measures to ensure food safety for consumers.

To support the development of small businesses and private entrepreneurship, it is important to provide them with information and support from the state. Advertising plays a crucial role in the development of the restaurant business. The volume and quality of advertising are constantly growing and evolving. There are several forms of advertising, and the choice of advertising effects depends on the goals of the company. These goals can include attracting new customers or increasing sales among existing customers. Point-of-sale advertising is often used to stimulate demand among existing restaurant customers.

Currently, our country is experiencing a favorable economic situation for improving the quality of work in the tourism sector, including the resort and recreation industry, as well as for entering the global tourism market on a large scale. However, the current measures for the development of the tourism sector may not be sufficient in the changing conditions.

CONCLUSION.

It Is clear that from the point of view of state support for domestic tourism, the issue of creating especially favourable conditions for the activities of national state and private companies, as well as foreign investors, should be raised at the national level. In other words, state support should be aimed at creating a competitive, self-developing sector that ensures the accumulation of the labor force released as a result of globalization at the necessary scale. If this goal is achieved, the need for further large public financial injections will disappear on its own.

Thus, in the course of the research, directions for state support of entrepreneurial structures in the restaurant business were proposed (at the expense of developing the field of indirect interaction with enterprises and organizers - evaluators):

- Cooperation with state and non-state funds;
- Ensuring the in stitutional foundations of restaurant business development (coordination of regulatory bodies to prevent low-quality products and services from entering the restaurant business market);
- Coordination of work on the organization of restaurant business certification;
- Formation of a unified information system for the restaurant business market development;
- Development of the tourism sector (takingin to account the existing conditions, developing and implementing mechanisms for the effective integration of tourism activities and the sanatorium-resort complex);
- Formation and further development of a balanced competitive market in the tourism complex.

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PLANNING AND FORECASTING MECHANISMS FOR EFFECTIVE HUMAN RESOURCE MANAGEMENT IN THE HIGHER EDUCATION SYSTEM

Akmal Alimjonovich Salimov[1]

ABSTRACT

This article discusses the issues of planning and forecasting human resources in the activities of higher educational institutions. The mechanisms of human resource management and planning and forecasting of human resources in the system of higher education based on strategic approaches are presented.

Keywords: *Higher Education, Human Resource Management, Human Resource Planning, Strategy, Planning Methods.*

Introduction

Today, higher education is becoming an important condition for the introduction of new technologies, increasing competitiveness in all spheres of human activity, and raising the standard of living. The social responsibility of higher education lies largely in the acquisition by each person of those professional and social skills that allow him to remain a sought-after specialist in a rapidly changing labour market, fully participate in a developing innovative economy and, thereby, ensure both his own and public well-being as a whole.

The Message of the President of the Republic of Uzbekistan Shavkat Mirziyoyev for 2023 notes that ―... in recent years, the number of universities in the country has increased by 2.5 times - up to 198, enrollment in higher education has increased from 9 to 38 percent. We set ourselves the goal of further increasing this figure. But what will be the quality of education? This question should concern all of us. First of all, each university should strive for this itself. Then there will be a result‖ [1].

The implementation of these tasks poses extremely urgent and complex tasks for the higher education system. As stated in the Concept for the Development of the Higher Education System of the Republic of Uzbekistan until 2030, they are closely related to the creation of educational programs that can withstand fierce global competition, the effective organization of training in cooperation with higher educational institutions and personnel customers, as well as improving the mechanisms for planning and forecasting human resources [2].

In this regard, planning and forecasting the effective management of human resources in the system of higher education in the context of the renewal of Uzbekistan is of great practical importance.

Literature revive

Theoretical foundations, models and current trends of several issues related to the management and planning of the training of highly qualified personnel in the higher education system are reflected in the research works of many foreign scientists, such as M. Armstrong, Bennett R., Graham XT, J. Hayes,

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S.Taylor, Kozma BR, LK, Lewis, CJ. Mee-Yan, L. Holbeche, G. Philip, L. Pritchett, N. Stanford [3,4,5,6,7] and others.

Quality management of human resources in higher education, strategic planning mechanisms and other issuescovered in the scientific works of scientists from CIS countries:L.I. Antoshkina,A.A. Korobitsina, N.V. Bogdan, A.V.Romanova, Y.A. Masalova, L.V. Alferova, L.A. Koroleva, O.S. Nagornaya [8,9,10,11,12,13] and others.

Among domestic scientists and economists in the research of K.U.Umarova, the author's approach to the categories of management and the organizational and economic mechanism of management systems was studied, based on the results of an analysis of the features, main trends and trends, and industry problems that must be taken into account in the process of improving the management systemhigher educational institution(HEI) [14].

In the work of O.S. Kakhkharov, the problems of the effectiveness of the management activities of higher educational institutions in assessing the effectiveness of managing the training of competitive personnel, the interaction and factors of the effectiveness of the management system and the management process, the indicators for evaluating the effectiveness of an educational institution, and the issues of priority of graduating departments [15] were studied.

Methodology

In this scientific article, based on the tasks defined in the "Concept for the Development of the higher education system of the Republic of Uzbekistan until 2030", methods of scientific observation, analysis, comparison, graph and other methods are used.

The method of analysis was used to select and systematize scientific and pedagogical concepts and statistical data expressing thematic problems at the international and national levels;

Methods of scientific observation were applied in the analysis of legal acts and information from international organizations, quantitative and qualitative interpretation of data;

The comparative method made it possible to clarify the phenomena relevant to higher education.

Analysis and results

The term "higher education" refers to the training of highly qualified specialists who are called upon to work in the fields of economics, science, technology and culture, to eliminate theoretical and practical problems through the application of technical innovations and self-improvement [16].

In the modern educational space, such characteristics as internationalism, democracy, dynamism, emphasis on quality and efficiency, and increased competition between education systems are increasing. The creation of an effective management system that ensures the quality of educational activities is a necessary condition for the functioning of higher educational institutions in the modern market of educational services. The education system must meet modern requirements, determine long-term plans and strive for the future [17].

These characteristics should be taken into account when developing a human resource management mechanism (HRM) in higher education since the requirements for the quality of human resources are formed based on international, social and political prerequisites. In the conditions of an innovative economy, approaches to human resource management are radically changing. Many theories can be applied to this area. In particular, the founder of the theory of a new industrial society, J. Galbraith, believed at one time that educated and trained personnel in an industrial system became a decisive factor in production, which depends on a highly developed education system. Managing people who are significantly different from other resources is an important component of the management of any enterprise, or organization, including a higher educational institution (HEI).

Firstly, people have intelligence, and their reaction to the external environment (control) is not mechanical, but emotionally thoughtful, and conscious. The process of interaction between the organization and the employee is two-way.

Secondly, people can constantly develop. In the era of scientific and technological progress, technology and professional skills quickly become obsolete. Therefore, the ability of employees to constantly improve and develop is the most important source of improving the efficiency of HEIs.

Thirdly, at present, a person's working life lasts 30-50 years, which determines the long-term nature of the relationship between a person and an organization. According to the data, in France, on average, a person has been working in one organization for 16 years.

Fourth, people come to the organization consciously and pursue clear goals, and expect assistance from the organization in the implementation of these goals [18].

The human resources of a higher educational institution, like any other organization, are in constant motion. It includes:

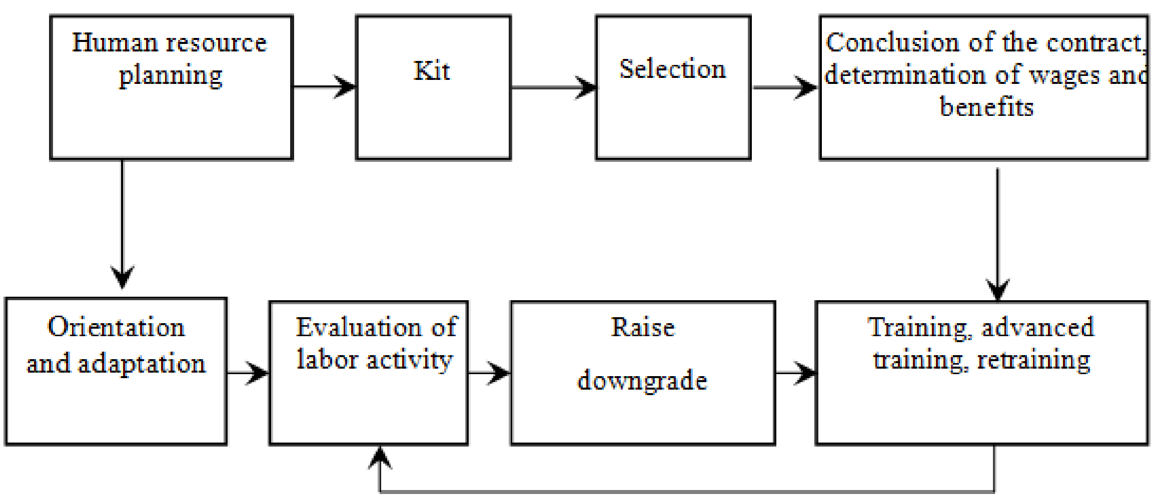

Fig 1. Human resource management model[1]

The process of modernization of management in the modern system of higher education gives rise to new management tasks for society and the state. This, in turn, requires a strategic approach to managing their human resources. In our opinion, it is effective to use rich business experience in the application of strategic planning inHEI, since it opens up several such promising opportunities as the identification and formation of priority areas in the field of education, a clear vision of the future, the study of internal and

[1]Developed by the author.

external factors influencing their development, the coordination of the efforts of various actors involved in education, the rational distribution of resources. The strategy of a higher educational institution should manage its development, taking into account ongoing changes and ensuringits functioning in the interaction of management with teachers, students, applicants, their parents, employers, the state, society and other interested parties [13].

Based on the HRM strategyand to ensure its implementation, a plan of organizational and technical measures is being developed, which includes a set of specific actions, the timing and methods of their implementation, as well as the need for resources. Human resource planning determines how much and what kind of human resources an organization needs to achieve its strategic goals, in other words, human resource planning is the process of identifying gaps and developing a plan to fill them based on an organization's assessment of its current human resources, forecasting future needs [9].

Human resource planning in higher educational institutions is an integral process associated with the study of the labour market, certification of employees and jobs, professional and social adaptation, improvement of labour incentive methods, professional development and the formation of corporate consciousness. At the same time, it is also an independent labour sphere with its own goals, methods and forms of work. Human resource planning consists of 4 steps.

Step 1: Determine current endowment status HR;

Step 2: determine the need for HR in the future;

Step 3: the gap between the supply of workers and the demand for them is determined;

Step 4: Develop and implement a plan to close the gap.

The developed plan should be linked to the strategy HEI.

Human resource planning is effective only when forecasts are developed for the long term, and not for the short term. The purpose of human resource planning in higher educational institutionsis to determine when, where, how much, what skills and at what cost the organization will need to solve its problems.

HRM forecasts in the higher education system should reflect the following sections:

1. The structure and composition of the HR management unit in the implementation of the main tasks of a higher educational institution.
2. Challenges facing human resources in achieving the mission and goalsof HEI.
3. Characteristics of the use of human resources.
4. Characteristics of the external environment affecting the organization.
5. Analysis of supply and demand in the labour market.

In the process of planning the need for human resources inhigher educational institutions, the following factors should be taken into account.

1. Internal factors:

- Strategic goals and objectivesHEI;
- Personnel movement (dismissal, retirement, maternity leave, temporary disability);

- Financial position, values and traditionsHEI;

2. External factors:

- Economic situation (macroeconomic stability, economic growth rates, inflation, unemployment rate);
- Globalization processes, technical and technological progress;
- State policy (labour legislation, tax regime, changes in the social insurance system);
- Competition and market environment.

The human resource planning process inHEIconsists of the following steps:

- Analysis of strengths and weaknesses of human resources;
- Development of job descriptions;
- Quantitative and qualitative assessment of available human resources;
- Assessment of future needs;
- Monitoring of changes in the professional qualification system of personnel, calculation of the size of the need for personnel;
- Developing a program for future needs;
- Determination of costs associated with meeting the need for personnel, etc.

The developed plan for human resources should provide complete information on the number, responsibilities, qualifications, and jobs of employees requiredby HEIin future. Also, this plan should cover: what measures should be taken with an excess or shortage of personnel, what new positions can be introduced in the organization's system, and what changes can be made to job responsibilities.

The HEI's human resource planning stems from its personnel policy. Therefore, it also includes staff appraisal.

At different stages of drawing up an HEI human resource plan, methods can be used: SWOT analysis, organizational chart, and RACI matrix.

SWOT analysis is a method of strategic planning, which consists in determining the factors of the internal and external environment of the organization and dividing them into four categories.SWOT allows you to determine: S - (strength) - strengths, W - (weakness) - weaknesses, O - (opportunity) - opportunities and T - (threat) - obstacles. At the same time, it shows that strengths and weaknesses arise under the influence of internal factors, and opportunities and obstacles - external factors.This analysis is effective for a preliminary assessment of the current situation.

The organizational chart method is a visual representation of the structure of an organization, reflecting the relationship of subordination between employees and their responsibilities. It can be used in different ways in human resource planning. For example, by recording information about current functions, responsibilities, qualifications, experience of employees and other additional information (demographic, social status). This allows you to quickly identify and use the appropriate employee in the workflow. And also by creating "road maps" to determine the need for staff. The surplus or shortage of workers is indicated in the organizational chart.

RACI matrix or table of the distribution of duties, powers and functions, where R (responsible) is the person directly performing the task; A (accountable) - a person accountable and responsible for the result; C (consulted) - consultant, guide, mentor; I (informed) - a person who disseminates information.

Conclusions

Thus, a modern higher educational institution operating in the current conditions of market relations and globalization, in addition to creating, productively using and disseminating the necessary knowledge in the field of human resource management, needs to create a system for increasing labour productivity through the development of the necessary competencies of personnel, the rational distribution of their efforts between various activities (educational, methodological, scientific, etc.) and ensuring their loyalty to the educational institution. For example, strengthening academic and financial independence requires that the human resources development systemHEIwas focused not only on improving scientific and pedagogical competencies but also on the development of basic economic, social and psychological skills of all employees. Strategies of modernHEI developed from an entrepreneurial point of view, are based on the intensive use of available human resources by increasing the corresponding material incentives. Therefore, the existing problems of human resource management in the higher education system are solved only based on strategic and systematic approaches. These approaches are manifested in the development and implementation of strategic plans and forecasts, supported by appropriate financial support and the organizational and managerial mechanism of an educational institution, combining personnel, innovation and social areas.

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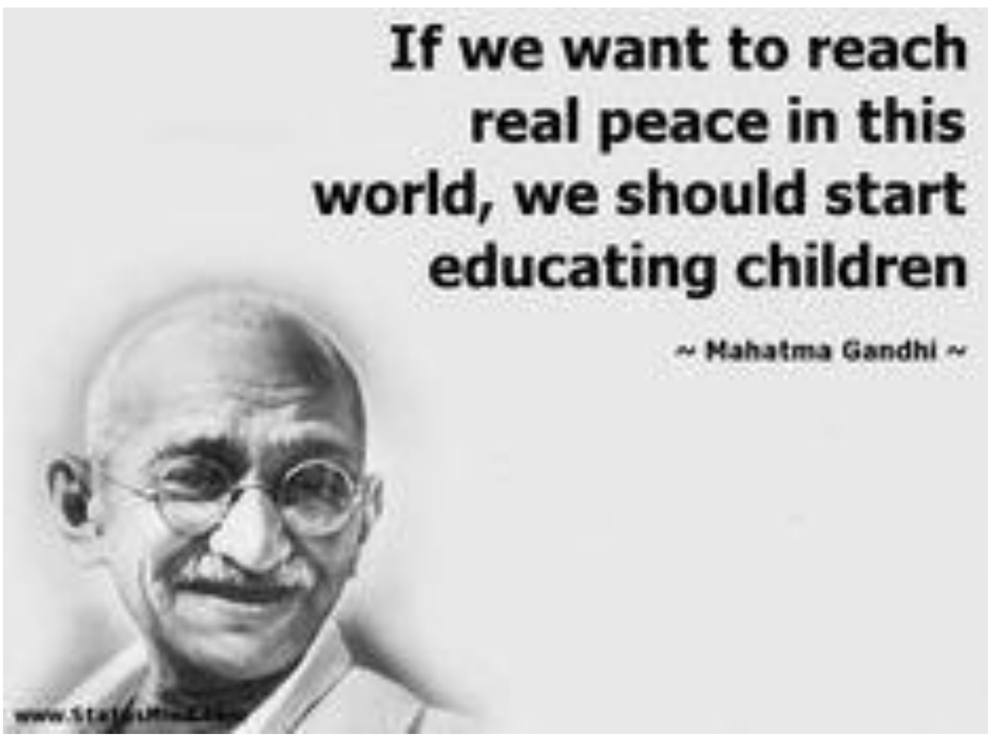

REAL ESTATE ASSESSMENT SYSTEM IMPROVING DIRECTIONS

Valiev Mokhir Kamolovich[1]

ABSTRACT

The article examines the current state of the real estate appraisal system in our country. Existing problems in the property valuation process and their impact on property relations were assessed. Opportunities to optimize the process of reforming the property system in the context of modern market relations have been studied. In the process of improving the system of property reform in Uzbekistan is based on the possibility of adapting the process of real estate appraisal to the requirements of the property market. Scientific proposals and practical recommendations for improving the effectiveness of property reforms by improving the system of real estate valuation have been formed.

Key words: *Real Estate Market, Property Valuation System, Market Value of Property, Property Management, Property Object, Property Management, Property Relatio*ns.

Introduction

The inevitable involvement of real estate in market relations in a market economy - reflects the legal and economic relations of the participants in the market economy. The fundamental economic reforms carried out of the economy of our country today, the need to improve the activities of the real estate market in the regions and the formation of innovative directions in this regard. In particular, since the process of forming a system of property relations in the economy in the context of the COVID-19 pandemic is focused on the organizational and economic basis of improving property relations, the system of property relations raises the need to support the organizational basis in this regard. In this regard, the President of the Republic of Uzbekistan Mirziyoev Sh.M. in his address to the Oliy Majlis on December 29, 2020, stated: "...for the stable functioning of the economy during the pandemic, entrepreneurs made equal contributions with the state. That is why we all have to shoulder entrepreneurs and support them all the time. Ensuring the rights of businessmen in this regard, especially the inviolability of private property-should be the main task of state bodies of all levels [1].

The above number of cases presuppose the need for a fundamentally new approach to improving the activities of the real estate market in our country. This situation provides the opportunity to form socially oriented real estate market activities and actively attract the flow of investments in priority objects by optimizing the real estate valuation system in the property sector reform system. A number of such cases serve to justify the relevance of research on the formation of directions for improving the real estate assessment system.

Literature review

Research on the improvement of the real estate assessment system has been carried out by a number of economists. In particular, in this regard, it is advisable to separately note scientists V.Shehovsov, O.Mastikhina, S. Pestenko's research. In the process of research, the role of nonlinear factors along with

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market factors in the formation of real estate value was also analyzed on a wide scale. Priority is also given to the process of increasing the chances of investing in real estate and making decisions related to its development by constantly improving the means of analyzing the formation of real estate value and its assessment [2]. L.N.Telman's studies show the classification of real estate objects, methods of their assessment. The current state of property value assessment in different countries has been analyzed in a comparative way. It is concluded that the role of nonlinear factors affecting the process of increasing the market value of real estate in assessing the value of property is of high importance [3]. In Tatarova's research, the main economic and managerial problems associated with the theory and practice of real estate market activities are systematized [4].

Economist scientists of our country R.X.Alimov, B.B.Berkinov, A.N.Kravchenko, B.Y. Khodiev through their scientific research explain the meaning and essence of the associal concepts about the real estate market. Methods and algorithms for determining the market value of real estate based on the principles, andases and legal aspects of assessing the value of real estate are recommended [5]. B.B.Berkinov, Sh.D.Ergashkhodzhaeva, N.I.Nedelkina pay special attention, in their scientific research, to the mechanisms for the implementation of the transaction on the exchange of property rights to state assets and its forms. In privatization processes, scientific and metedological aspects of the directions of their reduction and optimization are proposed by analyzing and managing the costs of transformation and transaction, which are associated with the implementation of transactional relations of economic agents.

In the above studies on the formation of directions for improving the real estate valuation system, a closed territorial unit limit system was used to determine the market value of real estate, in this regard, one of the main characteristics of the property, namely, its territorial immobility, was ignored. Also, the purpose of using a real estate object is noted as one of the main factors of pricing, and in pricing, aspects related to the result of competition, which is considered the main element of the market mechanism, and its maximum effect on the formation of the market value of the property are not studied.

Methods

The research process used a number of research methods such as scientific abstraction, induction and deduction, systematic and statistical analysis.

Analysis and results

In the property assessment system, it is required to organize the rules for assessing objects on the basis of International Assessment Standards. The process of organizing assessment rules is based on the market value of real estate. Real estate appraisals involve realtor qualification certificate and licensed realtor organizations under contract to evaluate real estate. Property rights to real estate objects in accordance with the terms of the contract are determined on the basis of the initial cost of objects placed on auctions and their market value.

A certain system of economic relations in the real estate market, through the dynamics of the forces of supply and demand, ensures the transfer of property rights from seller to buyer on the basis of relevant interests. Property rights associated with the objects of the real estate market provide the opportunity to freely provide individuals or, legal entities that are considered buyers or sellers with all information on the open market. If the parties act wisely in accordance with the circumstances established in the transaction, the value of the transaction price does not reflect any emergency circumstances. In the process of determining the market value of real estate valuation, the following 3 different methods are used (Table 1).

Table 1 Methods for determining the market value of real estate

1.	**Cost method of assessing the value of real estate**	In the cost method of real estate assessment, the value of a complete subtraction of the property being assessed is determined. At the same time, the amount of depreciation of buildings and structures and the value of the land plot are added to the result obtained.
2.	**Comparison method of assessing the value of real estate**	In this method of assessing the value of real estate, the market value of property is based on comparing the price of an object with the prices in a transaction concluded with similar objects. To carry out the assessment, a table of similar property objects sold in the corresponding market is formed. In the assessment process, in a different order than the property object on which the comparable property objects are assessed, it is noted that the sale valuation of the property has the same basic characteristics as the property on which it is assessed.
3.	**Income method of assessing the value of real estate**	When assessing the value of real estate, the value of the property that generates income is determined by the indicators of the amount, quality and duration that are expected to bring profit in the future.

Source: formulated by the author.

In accordance with the standards for assessing the value of property, this 3 different methods are formed according to the full scheme-embodied in it the individual conditions of the market value of the real estate object. Despite the fact that the methods of the assessment process are based on the same economic principles, property characteristics, the purpose of its use, differ in terms of their technical condition in relation to their tasks. When the income method of assessing the value of real estate is intended to receive cash flows in the middle of the forecast year, the cash flow is discounted from the middle of the forecast period. In this case, the following formula is used.

$$PV = \sum_{i=1}^{n} \frac{CF_i}{(1+DR)^{(i-0,5)}} + \frac{FV}{(1+DR)^n}$$

If the valuation date does not coincide with the beginning of the financial year, then the annual cash flow is calculated in the following order:

$$CF_n = \frac{k * CFi}{4} + \frac{(4 - k) * CFi+1}{4}$$

here:

CFn – annual cash flow for each account period,

k - number of quarters from the date of assessment to the end of the financial year,

CFi - cash flow of the corresponding financial year.

The solution of operational tasks in the income method of assessing the value of real estate is mainly aimed at maintaining real estate objects in normal working condition, requiring the accounting of capital construction work planned mainly in urban buildings and structures, including their surrounding areas.

On the basis of the accepted rental rate, the market value of the plot is determined using the income approach, usually the direct capitalization method is used. Formula for calculating the cost of a plot of land:

$$V_L = \frac{I_L}{R_L},$$

here:

VL-value of the land plot;

IL - income from land ownership;

RL - the level of capitalization of the land.

The capitalization rate is determined, assessed by dividing the amount of rent for similar land plots by the price of their sale, or increasing the risk-free interest rate of capital to the amount of risk premium associated with the imposition of capital on a plot of land.

The main factors affecting the rental price of a land plot are: location characteristics, size, shape, type of surrounding land use, access to transportation, engineering equipment. The practice of providing property to investors on the basis of tax incentives is of high importance in the foreign experience aimed at the formation of a real estate valuation system and its implementation. This practice provides an opportunity to attract investments to create developed infrastructure in regions where there is an unfavorable situation with the sale of finished housing. At the same time, the practice of tax credits for investments in real estate objects of social significance was introduced. In this practice:

- Granting tax benefits, loans to enterprises of any form of property, lending to employees at preferential rates to solve housing problems, in order to solve the problem of people who are in line for housing;
- Ensuring the transfer of real estate objects of negative market value to investors through open auctions under the Dutch scheme;
- Transfering of large-income real estate objects belonging to large cities to the trust management system of management companies;
- Increasing the possibility of building communal housing at the expense of budget funds and private investors;

- Promoting the privatization of the housing development sector. In this regard, the processes of introducing the practice of selling bankrupt construction enterprises in full or in lot through open or local open auctions, excluding the possibility of influencing auctions, are of paramount importance.

Conclusions and suggestions

In our opinion, in the process of assessing the value of real estate, it is advisable to pay attention to the following factors, as well as those recognized above:

1. The emergence of potential demand in the real estate market in relation to certain objects of real estate. In this case, it is advisable to take into account the level of satisfaction of existing demand in the market of insolvent buyers. For example, today the greatest potential demand is being formed in the housing market;
2. Utility, the ability of real estate to meet human needs. Stimulation of the desire to get a certain thing in a general sense. For example, the usefulness of housing is determined by the convenience of living in it;
3. Limitations of property facilities in the real estate market. As a rule, with an increase in the supply of a particular product, the price level in relation to this product begins to decrease, with a decrease in supply, the price level rises.

The factors affecting the value of real estate are constantly changing. For this reason, real estate valuation is valid only for a certain period. The market value of real estate is usually seen as a reflection of future economic conditions. Drastic changes in the real estate market have a direct impact on property value. In general, the purpose of the assessment is determined by customers. Customer of the personal assessment can be any individual or legal entity, including the state. The one who orders a public price, as a rule, is the state.

The purpose of public assessment is determined by the needs of the state. Mainly for the collection of property taxes, and if the state belongs to real estate, the rental interest for residential and non-residential premises is determined.

The functions of the state in the field of real estate management within the framework of territorial entities are carried out by the property Committee on property management. Through the functions of the state in the field of real estate management within the framework of territorial entities; strategic tasks set in the country's ownership relations, the way to solve them, in this framework, embodies a number of situations such as the influence of authorities to ensure the growth of the value (market value) of real estate objects. The range of tactical tasks in the field of property management consists precisely in the problems associated with the adoption of an economic management decision on the fate of real estate objects: sale, lease, use, operational management, trust management, transfer for reconstruction on investment conditions, etc.

In improving the real estate assessment system in our country, it is advisable to ensure the practical implementation of the following tasks related to the organization of the real estate management process:

- Achieving the maximum profitability of real estate objects. Implementation in practice of economic and mathematical procedures of multi-criterion investment analysis, which allows a comprehensive analysis of the socio-economic benefits of projects for investors in urban areas. Creation of a single information and analysis center for the decision and preparation of investments in specific projects related to real estate at the municipal level;

- The use of all legal means in the use of real estate objects. The procedure for issuing a construction permit in the regions and the period of personalization of schemes for transferring ready-made real estate objects to the property and minimizing the requirements for it. Ensuring the possibility of foreclosure of rights under an investment contract. Implementation in practice of economic and mathematical procedures of multi-criterion investment analysis, which allows a comprehensive analysis of the socio-economic benefits of projects for investors in urban areas. Completion of guarantees of rights to real estate objects at the expiration of the investment project, etc.

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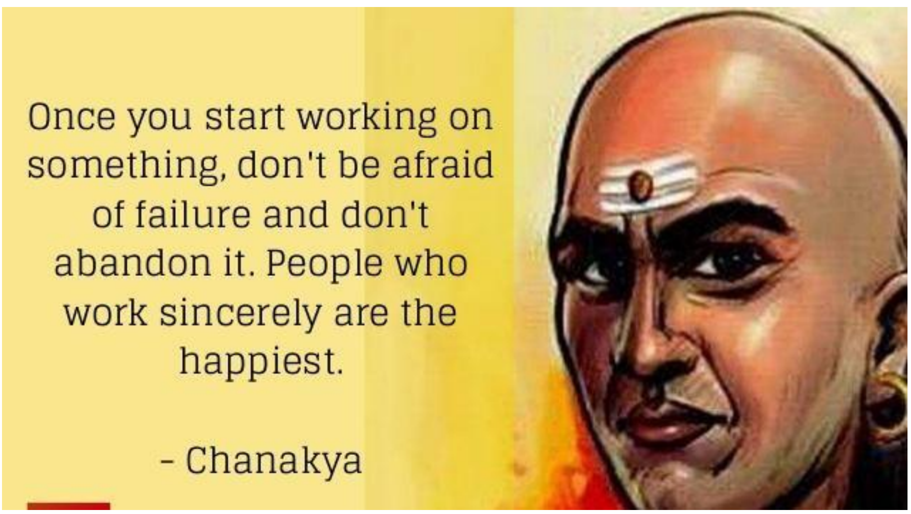

FORECAST ANALYSIS OF FACTORS AFFECTING THE DEVELOPMENT OF THE CONSTRUCTION MATERIALS MARKET

Usubjonov Zahriddin[1]

ABSTRACT

The article examines the state of the construction materials market and analyzes the factors affecting it. The share of Namangan region in the production of building materials in our republic has been determined. Using the STATA-16 program, future indicators of the factors affecting the development of the building materials market in the region were analyzed and forecasted. Conclusions and recommendations on the development of the construction materials market in Namangan region are given.

Keywords. *Building Materials Market, Retail Turnover, Level of Housing Supply, Export-Import, STATA-16 Program, Mathematical Models, The Factors Affecting.*

Introduction

The 22nd goal of the decree of the President of the Republic of Uzbekistan No. PF-60 of January 28, 2022 "On the development strategy of the New Uzbekistan for 2022-2026" is to continue the industrial policy aimed at ensuring the stability of the national economy and increasing the share of industry in the gross domestic product, by increasing the volume of output of industrial products 1.4 times. It is indicated to increase the volume of production of building materials twice. In 2022-2026, a program for the further development of the building materials sector has been developed in our country by implementing projects worth 5 billion US dollars.

Methodology.

Methodological-theoretical foundations of the problems of the construction materials market were studied by well-known scientists in the world Chamberlin E., Sherer F., Morris. D., J. Tirols[1].They studied the characteristics of the construction materials industry, the structure of the market and the processes of price, sales and service in its operation in the conditions of the market economy.From Russia and other CIS countries scientists such as Izard U., Lavrov A.M., Nekrasov N.N., Novoselov A.S. A.Lyosha, A.G.Granberg and R.I.Shnier[2] studied the development issues of the regional building materials market.Changes in the structure of supply and demand in the construction materials market, introduction of new construction technologies, introduction of competitive enterprises and new products to the market, competition with foreign firms and other relations were researched by Avdasheva S.B., Rozanova N.M., Vuros L[3].

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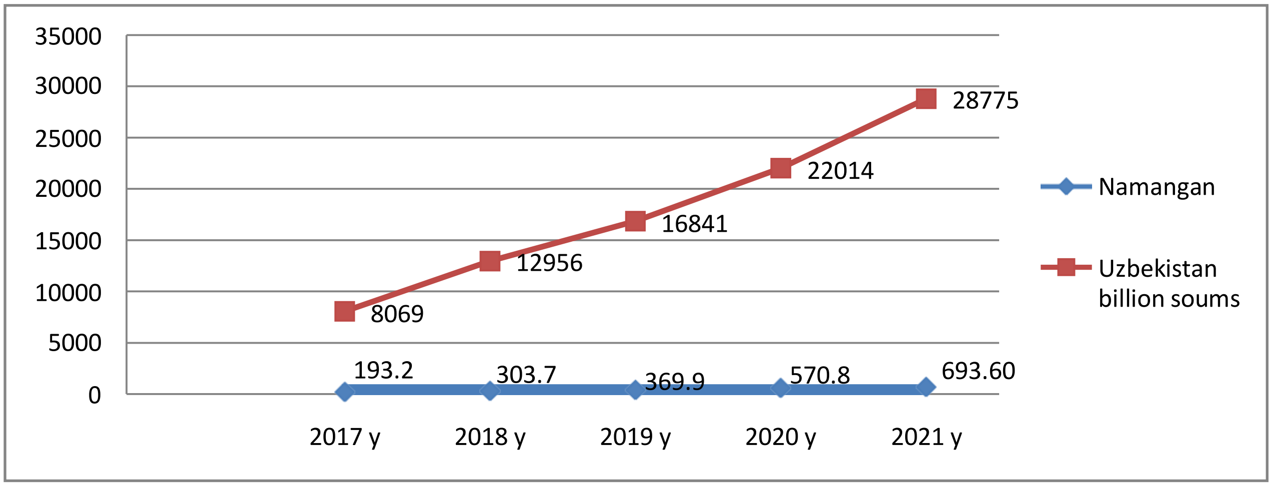
Data Analysis and Findings.

Figure 1. Analysis of construction materials production in Uzbekistan, including Namangan region, in 2017-2021



During the analyzed period, the production of building materials in Namangan region increased by times, and in 2021 this indicator reached 693.6 billion soums. The volume of production of industrial products in the region in 2021 was 14,584.80 billion soums, and the production of construction materials made up 4.75% of it.

Import and export play an important role in meeting the demand for construction materials. No region can meet the existing demand for building materials with its local production.

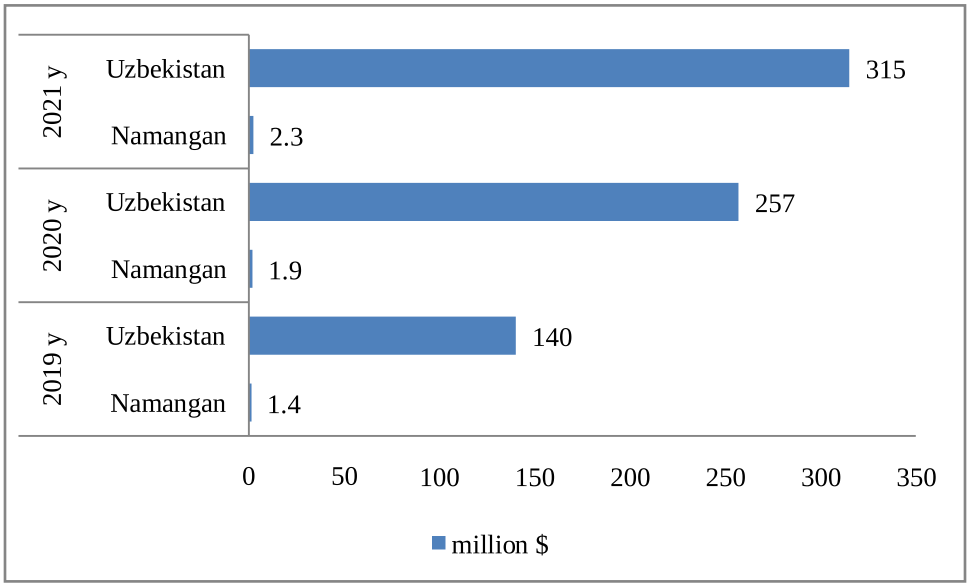


Figure 2. Analysis of construction materials exported in Uzbekistan and Namangan regions in 2019-2021

The export of construction materials in Namangan region increased by 1.6 times during the last 3 years (2019-2022) and compared to 2019, construction materials worth 844.8 thousand US dollars were exported. Construction materials make up a high share of exports. Although the volume of production of construction materials in the region has increased by 3.6 times, the volu me of import of construction materials still remains high.

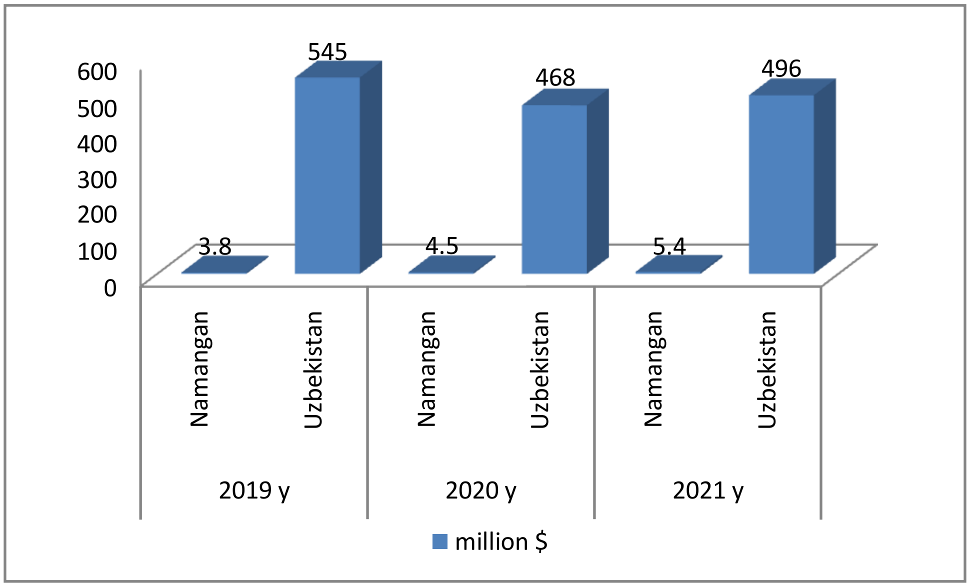


Figure 3. Analysis of imported construction materials in Uzbekistan and Namangan regions in 2019-2021

In Namangan region, the volume of import of building materials increased 1.5 times during 2019-2021. Wood materials, fittings, and some types of varnish and paint products constituted the greatest share in the import volume of construction materials.

By analyzing the factors affecting the development of the building materials market, it was studied whether their development affects the level of housing provision of the population. The development of the construction materials market results in the development of the level of housing provision of the population as well.

Below is an analysis of Namangan region indicators of factors affecting the level of housing provision of the population.

Table 1 Analysis of Namangan region indicators of factors affecting the level of housing provision of the population

Years	Population Growth (X_1)	Gross income per capita (X_2) (Thousand soums)	Fixed capital investments per capita (X_3) (thousand soums)	Production volume of construction materials per capita (X_4) (per 1000 people) (thousand soums)	Volume of import of construction materials per capita (X_5) ($)	Volume of construction materials retail turnover per capita (X_6)	Volume of construction works per capita (X_7) (soums)	Level of housing provision of the population (Y) (sq.m)
2010	2258.50	1566.70	290.00	21.89	1.89	1318.8	154040.29	14.20
2011	2379.50	2170.00	318.40	28.56	2.01	1678.7	200000.00	15.40
2012	2420.60	2644.00	376.00	31.47	2.28	2268.8	226761.96	15.50
2013	2458.70	3168.10	485.60	38.67	3.12	2853.5	297270.92	16.10
2014	2504.10	3636.50	714.70	46.24	3.34	3506.5	355576.85	16.20
2015	2554.20	4113.20	863.80	55.27	3.69	4166.7	395583.74	16.10
2016	2603.40	4745.50	1074.80	60.23	4.69	5173.5	495467.47	16.30
2017	2652.40	5733.30	1340.30	72.84	6.15	6346.3	556175.54	15.10
2018	2699.60	6887.60	2992.50	112.5	16.3	7826.6	836272.04	15.20
2019	2752.90	8293.10	344.10	134.37	13.66	9915.1	1260852.19	16.00
2020	2810.80	9427.40	4229.20	222.43	15.69	11531.9	1664366.02	16.50

In order to evaluate the influence of the factors forming the potential of the population's level of housing provision, we are looking for a mathematical model in the form $y = a_0 + a_1x_1 + a_2x_2 + a_3x_3 + a_4x_4 + a_5x_5 + a_6x_6 + a_7x_7$.Here y is the level of housing provision of the population, x_1 is the population growth; x_2 - total income per capita; x_3 - fixed capital investments per capita; x_4 - production volume of building materials per capita; x_5 - volume of import of construction materials per capita; x_6- volume of retail turnover of construction materials per capita; x_7- volume of construction works per capita,a_0 , a_1, ... ,a_7 – fixed numbers. The least squares method of mathematical statistics was used to find the coefficients a_0, a_1, ... a_7. In this sense, using the "STATA-16" program, the econometric model representing the level of housing provision of the population of Namangan region, R^2=0.9405, $t_{calculate}$=2.6 and $F_{calculate}$=6.78 (When a= 0.05 (t_{table}=2.11 and F_{table}=2.272) criteria, the reliable and adequate model is as follows:

$$y= -19,52465+ 0,015382x_1 + 0,000306x_2 + 0,000824x_3 - 0,084729 x_4 - 0,116443x_5- 0,00164x_6+0,000016 x_7$$

The analysis of the mathematical model shows that the above indicators have a direct impact on the development of the building materials industry and market. Growth of population income, per capita capital investment is the main source, while the remaining indicators are the result of the development of the building materials market in the country.

The main factors affecting the development of the construction materials market are the population, the total income per capita, the level of housing, the production of construction materials, and the volume of construction work.

In Namangan region, it is important to analyze the indicators affecting the development of the building materials market in order to forecast future indicators of the building materials market and prepare the necessary recommendations based on them.

Table 2 2016-2020 analysis of the main indicators affecting the development of the building materials market of Namangan region

№	Indicators	Population	Total income per capita	The level of housing provision of the population	Production of construction materials	Retail sale of construction materials	Size of construction works
	Years	a thousand	in thousand soums	sq. m	billion soums	billion soums	billion soums
1	2016	2604	4710,4	16,3	156,8	110,3	1217,4
2	2017	2650	5786,1	15,0	193,2	181,9	1606,9
3	2018	2700	6939,6	15,2	303,7	260,8	2296,7
4	2019	2753	8170,8	15,9	370,0	378,4	3286,8
5	2020	2810	9479,8	16,5	571,0	565,9	4577,2

According to the results of the research, when analyzing the factors affecting the development of the building materials market, it was found that the indicators shown in the above table are of main importance. According to the results of the analysis, in the past 5 years (2016-2020) in Namangan region, the indicator of production of building materials has increased by 3.5 times, the retail turnover of building materials has increased by 5.1 times, and the volume of construction works has increased by 3.7 times.

In order to develop the market of construction materials, it is important to forecast the indicators of the future period of each influencing factor. Creation of an econometric model of factors influencing the level of housing provision of the population and determining the perspective, in the study of the level of development, empirical formulas are used based on the tests conducted in economic optimal modeling.One of the most effective methods for generating empirical formulas is the least squares (Least Squares) method. The method of least squares is effectively used in checking functions to extremum and constructing unknown functions with approximation (smoothing). We present the text of this method in relation to the connection of two variables x and y.As a result of n observations, consecutive $x_1,x_2,...,x_n$ values were generated. In these observations, the corresponding values of y were also found $y_1, y_2,..., y_n$. If the points $M_1(x_1, y_1)$, $M_2(x_2, y_2)$, , $M_n(x_n , y_n)$ made up of these values are distributed around a line in the cartision coordinate system in the plane, then the degree polynomial as an approximable function $y=a_0 +a_1x+a_2x^2 +a_3x^3 ..+a_nx^n$ can be obtained.Only a_0, a_1, a_2, a_3, and a_n are currently unknown parameters. A system of normal equations is used to find the values of parameters a_0, a_1, a_2, a_3, , and a_n in this functional relationship.

In general, we present the system of normal equations.

n- degree polynomial $y = a_0 + a_1 x + a_2 x^2 + ... + a_n x^n$

$$\begin{cases} na_0 + a_1 \sum x + a_2 \sum x^2 + ... + a_n \sum x^k = \sum y, \\ a_0 \sum x + a_1 \sum x^2 + a_2 \sum x^3 + ... + a_n \sum x^{k+1} = \sum y \cdot x, \\ \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \\ a_0 \sum x^n + a_1 \sum x^{n+1} + a_2 \sum x^{n+2} + ... + a_n \sum x^{2n} = \sum y \cdot x^n. \end{cases}$$

The parameters here are found based on the methods of mathematical statistics. Parameters are estimated using G'-fisher test, t-Styudent test. Also, statistical data processing algorithms and package programs are prepared.

In general, for the development of the building materials market, the analysis of statistical indicators on the basis of mathematical models of creating an econometric model of each increasing factors separately and determiningits perspective, increases the level of reliability of the information about the studied objects.

We create a separate mathematical model for each of the main indicators that affect the development of the construction materials market of Namangan region:

1. On the basis of the data of 2016-2020 of the main indicators affecting the development of the construction materials market of Namangan region, the dynamics of statistical data on the production volume of construction materials were scientifically analyzed econometrically, and the econometric

model was created using the EXCEL program, R^2=0.985, $t_{calculate}$=14.03 and $F_{calculate}$ =197.0 (t_{table}=2.11 and F_{table}=2.272 when a= 0.05), the adequate regression model of the change in the volume of the main product is expressed as follows:

$$Y_{\text{Production of building materials}} = 20{,}336x2 - 21{,}544x + 159.82$$

Here: $Y_{\text{Production of building materials}}$ - data on the main indicators affecting the development of the building materials market of Namangan region for 2016-2020; x- time (years).

In this case, it is possible to compare the change in the graph of the production volume of construction materials with the determined model graph, and it becomes possible to observe some deviations that were not visible through economic analysis, and this helps to make scientifically based decisions (Figure 2.1).

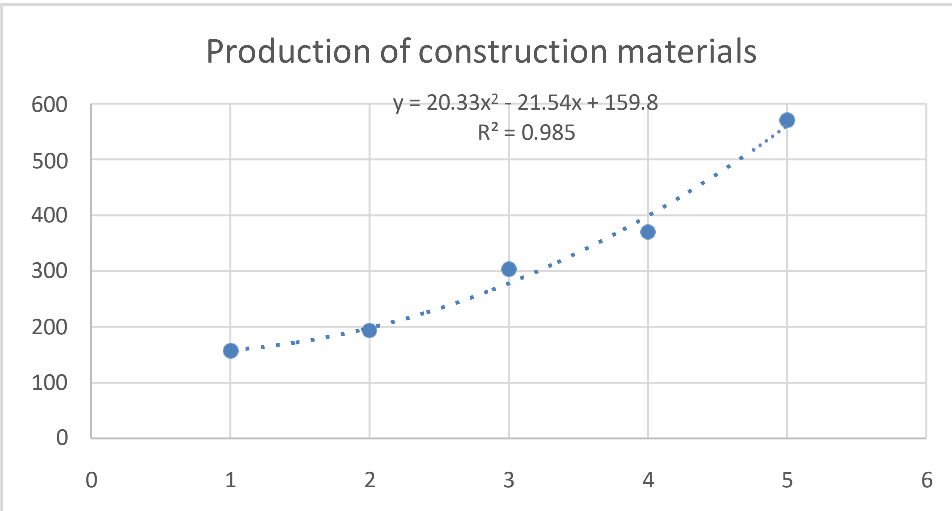


Figure 2.1. The dynamics of changes in the production volume of construction materials

2. On the basis of the data of 2016-2020 of the main indicators affecting the development of the building materials market of Namangan region, the dynamics of statistical data on the retail sale of building materials were scientifically econometrically analyzed and the econometric model was created using the EXCEL program, R^2=0.9960, $t_{calculate}$=27.33 and An adequate regression model of the change in the volume of the main product in the case where $F_{calculate}$=747.0 (t_{table}=2.11 and F_{table}=2.272 when a= 0.05) is expressed as follows:

$$Y_{\text{Retail sales of building materials}} = 19.321x2 - 5.1586x + 102.44$$

Here: $Y_{\text{Retail trade of building materials}}$ - information on the main indicators affecting the development of the building materials market of Namangan region for 2016-2020; x- time (years).

In this case, it is possible to compare the changes in the volume of construction materials retail trade with the determined model graph, and it becomes possible to observe some deviations that are not visible through economic analysis, and this helps to make scientifically based decisions (Figure 2.2).

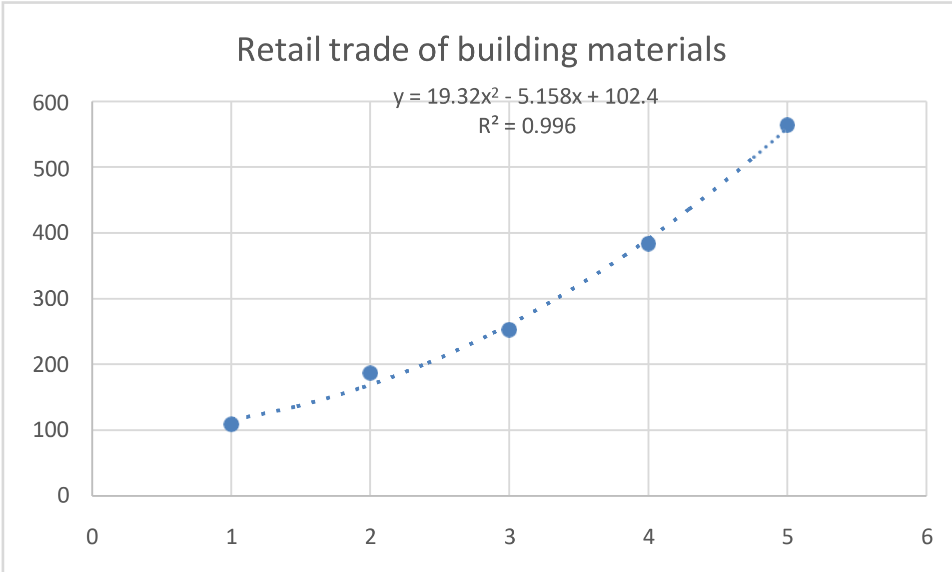


Figure 2.2. The dynamics of changes in the volume of retail trade of construction materials

Thus, the dynamics of changes in the volume of construction works, the dynamics of changes in the population, the dynamics of changes in total income per capita, the dynamics of changes in the level of housing provision of the population were analyzed and the results are presented in Table 3.

Table 3 Comparison table of econometric model results

Indicator name	Mathematical models	Coefficient of determination
Production of construction materials	$Y= 20,336x^2 - 21,544x + 159,82$	$R^2 = 0,985$
Retail sale of construction materials	$Y = 19,321x^2 - 5,1586x + 102,44$	$R^2 = 0,996$
Size of construction works	$Y = 150,14x^2 - 60,897x + 1128,2$	$R^2 = 0,9912$
Population	$Y = 1,7071x^2 + 41,287x + 2561,2$	$R^2 = 0,9998$
Total income per capita	$Y = 38,871x^2 + 959,13x + 3712,4$	$R^2 = 0,9983$
The level of housing provision of the population	$Y = 0,2929x^2 - 1,6271x + 17,48$	$R^2 = 0,8413$

Based on the data of 2016-2020 of the main indicators affecting the development of the building materials market of Namangan region, the forecast indicators were analyzed based on the mathematical models, and the forecast indicators until 2022-2026 were determined based on Table 3 according to the structure of their industries (Table 4).

Table 4 Forecast indicators for 2022-2026 of the main indicators affecting the development of the building materials market of Namangan region

№	Indicators	Measuring unit	2022 y	2023 y	2024 y	2025 y	2026 y
1	Production of construction materials	billion soums	1006,0	1289,8	1614,3	1979,4	2385,3
2	Retail sale of construction materials	billion soums	1013,0	1297,6	1620,9	1982,8	2383,4
3	Size of construction works	billion soums	8058,78	10250	12741,5	15533,2	18625,3
4	Population	a thousand	2933,86	3000,75	3071,06	3144,78	3221,92
5	Total income per capita	thousand soums	12331	13873,2	15493,1	17190,8	18966,2
6	The level of housing provision of the population	sq. m	13,7336	8,8256	10,505	12,028	19,5732

As can be seen from the data of Table 4, the volume of the main indicators affecting the development of the construction materials market of Namangan region is expected to increase during the forecast years.In 2022-2026, the production of building materials, the retail turnover of building materials and the volume of construction works in Namangan region are forecasted to increase by 2.3 times, the population by 1.1 times, and the total income per capita by 1.5 times.

For the development of the building materials industry, the forecast figures for the years 2022 -2026 in the Main Directorate of Economic Development and Poverty Reduction of Namangan region are 889.5 billion soums in 2022, 942.9 billion soums in 2023, 1004.2 billion soums in 2024, 1064.4 billion soums in 2025, and 1128 billion soums in 2022.3 , our forecast in Table 4 differed slightly over the years. According to the forecasts of the General Directorate, the volume of production of construction materials is expected to increase by 238.8 billion soums in 2022-2026, while in our table this indicator is expected to increase by 1379.3 billion soums.

Conclusions and suggestions.

We consider it important to implement the following in the development of the building materials market in Namangan region:

1) Namangan region is considered a favorable region for the production of building materials due to its geographical location. Analyzing the composition of the import of construction materials using innovative technologies, it is important to localize imported construction materials and increase production volume;

2) In Namangan region, it is necessary to create a cluster that unites building materials manufacturers, construction firms, sellers of building materials and organi zations in the region into a single unified system;
3) We consider it important to take measures to develop electronic trade of building materials in Namangan region and to create a single electronic trade platform for the region.

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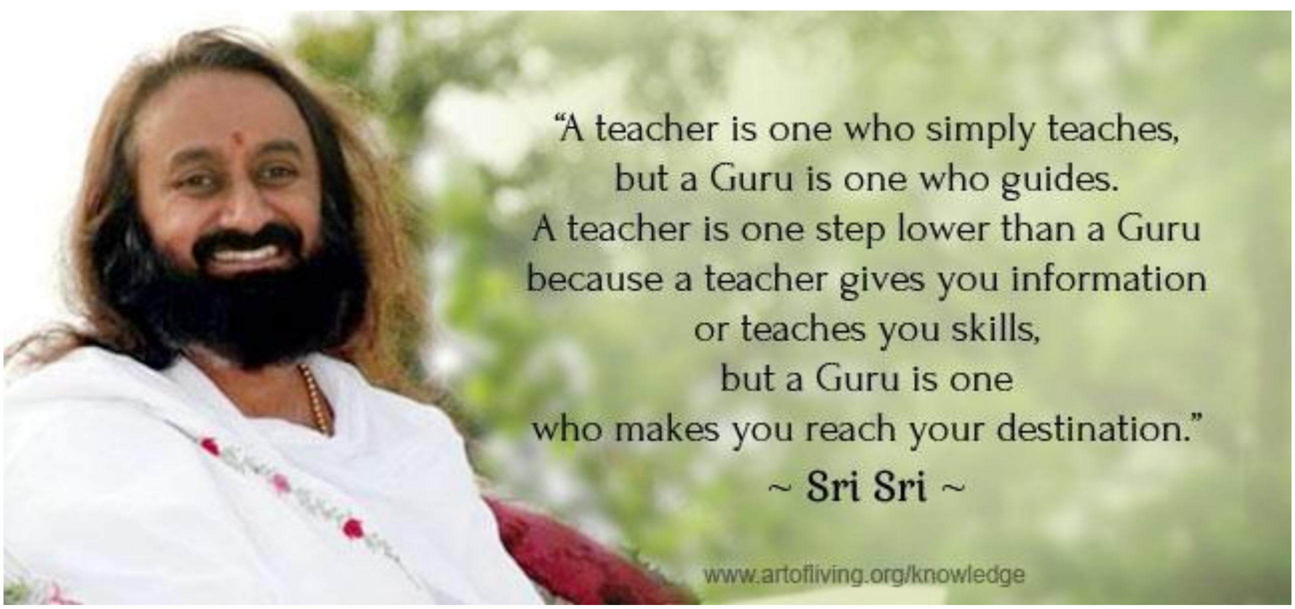

NATIONAL AND REGIONAL INNOVATION SYSTEMS, INNOVATIVE CLUSTERS

Kurbanova Mehriniso Nematjanovna[1]

ABSTRACT

The study of any activity always begins with the analysis of existing theories. There are quite a few different models of innovative development in the world. Each country forms its own specific model of innovative development. Innovative development systems are mainly based on four models of innovative development: Anglo-American, continental, Japanese and family. In the Anglo-American model, the owners of the capital of companies are mainly institutional and private investors who focus on short-term goals of generating income from exchange differences.

Keywords: *Innovative Development, Industrial Companies, Global Competition, Economic Development.*

Introduction

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021, the Strategy for Innovative Development of the Republic of Uzbekistan for 2019-2021, the implementation of large-scale reforms in all areas of activity provide for a transition to an innovative economy or a knowledge economy.

The necessary preconditions for this are in place. The country has a developed sector of academic and university science, which ensures the implementation of fundamental and applied research, innovative projects. Uzbekistan has a rich intellectual, spiritual, cultural, industrial and resource potential.Speaking about the resource potential, it should be noted that, first of all, this concerns the mineral and raw materials industry, which occupies a basic place in the modern economy of many states.

Materials and methods

The Decree of the President ‖On approval of the Strategy for Innovative Development of the Republic of Uzbekistan for 2019-2021‖ notes: ‖An important condition for the dynamic development of the Republic of Uzbekistan is the accelerated introduction of modern innovative technologies in the economy, social and other spheres with the widespread use of science and technology.

The rapidly developing all spheres of public and state life of the country require close support of the ongoing reforms based on modern innovative ideas, developments and technologies that ensure a quick and high-quality breakthrough of the country into the ranks of the leaders of world civilization‖.

As world practice shows, specific mechanisms for the implementation of innovation policy and the transition to an innovation economy are national and regional innovation systems, innovation clusters of various types (Fig. 1.1).

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The creation of national and regional innovation systems, innovative clusters presupposes a strong foundation in the form of a set of economic prerequisites, state support, a developed sector of science (fundamental and applied), a quality education system, industry, innovation infrastructure and a number of other factors - innovation development catalysts.

This chapter briefly highlights the characteristics of a number of NIS sectors through the prism of the emerging national innovation system of Uzbekistan. The chapter also provides a retrospective analysis of the experience of forming regional innovation systems and innovation clusters of foreign countries due to the fact that the subject area of research is the Kyzylkum region.

In the spectrum of economic prerequisites for the formation of national innovation systems, first of all, the role of the mineral resource complex should be noted. The global mineral resource complex remains one of the main factors determining the dynamics and quality of global economic growth.

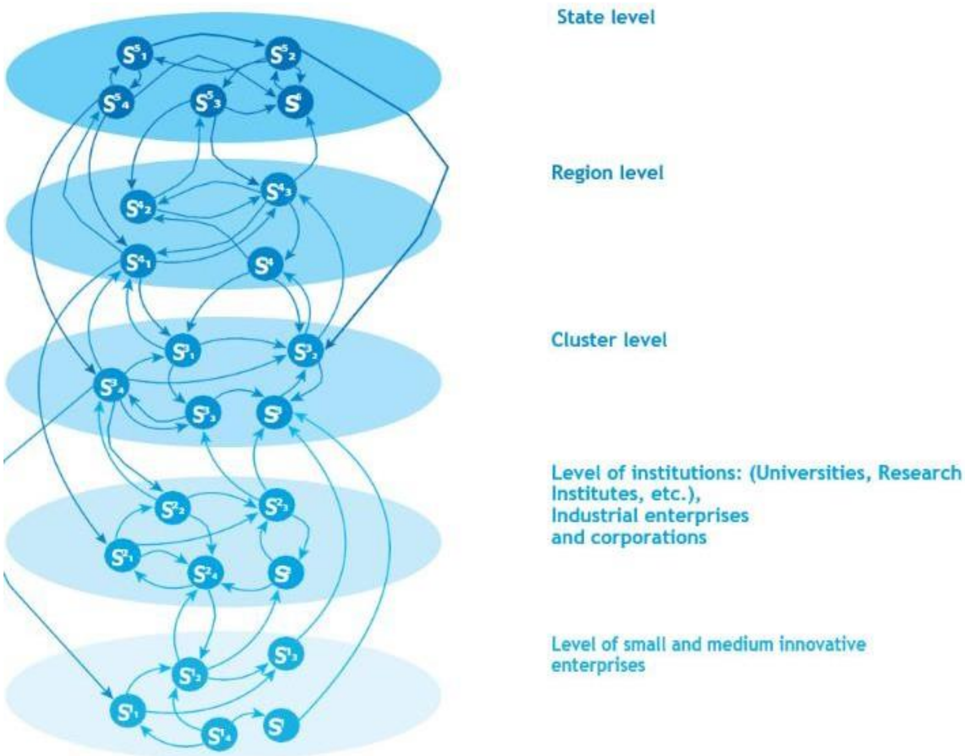

Fig. 1.1. Structure fragment of the national innovation system

Mineral raw materials provide raw materials and the energy base for the production of 70% of the entire range of end products of human society, being the uncontested basis for the existence and development of modern civilization. The annual world production volume is about 280 billion tons of ore, combustible minerals and building materials, as well as more than 600 billion tons of host rocks [4].

In Uzbekistan, the mineral resource industry is the most important factor in the development and distribution of productive forces, the formation of budgets and, as a result, the well-being of the country's population, and the use of modern mechanisms of state regulation and innovative technologies in the development and reproduction of the mineral resource base ensures the competitiveness of the national economy.

As in all industrial sectors of our country, work is underway at the Navoi Mining and Metallurgical Plant to modernize production facilities. At the initiative of the head of our state, 27 projects are planned to be implemented at the plant in 2017-2026. Among them, one of the most important is the construction of the 5th hydrometallurgical plant. This project with a total cost of 396 million US dollars will create an opportunity for processing 5 million tons of ore per year, creating about 5,300 jobs.The President of our country noted the colossal social and economic significance of the construction of a new hydrometallurgical plant. We also note that a decision has already been made to establish the 6th hydrometallurgical plant.

Uzbekistan is one of the largest producers of gold, uranium, and copper, which are mined by the Navoi and Almalyk mining and metallurgical plants. The mining industry plays a significant role in the development of the economy of the Republic. In terms of proven reserves of gold, uranium, copper, natural gas, tungsten, potassium salt, phosphorites, kaolins, Uzbekistan occupies a leading position not only in the CIS, but also in the world.In terms of gold reserves, the republic is in fourth place, and in terms of its production it is in seventh place in the world (and second in the CIS), in terms of copper reserves - in tenth, uranium - in seventh. Explored reserves of uranium provide its production for 50-60 years. Uzbekistan accounts for almost 75% of gas condensate and 40% of natural gas.The volume of explored hydrocarbon reserves is estimated at 3.5 billion tons of standard fuel, the degree of their depletion for oil is 32% and for gas - 37%. Forecast hydrocarbon resources are estimated at 847.7 million tons of oil, 380 million tons of gas condensate and 5.9 trillion. m3 of gas.With the current annual production volumes (62.6 billion m3 of gas and 5.4 million tons of oil and gas condensate), Uzbekistan is provided with proven reserves of natural gas for 31 years, oil - for 21 years and condensate - for 25 years. The explored reserves of brown coal amount to 1.85 billion tons and hard coal - about 50 million tons. The predicted coal resources are estimated at 5.7 billion tons.Three coal deposits are being developed in the republic: Angren, Shargun and Baysun. Uzbekistan has a hydropower potential of 15 billion kWh/year, the nominal installed capacity of power plants (12,359 MW) is almost 50% of the total generating capacity of power plants in Central Asia.The decision to build a nuclear power plant with a capacity of 2400 MW in the Jizzakh region is of tremendous importance

A favorable climate, huge mineral resources, large reserves of strategic materials and agricultural raw materials make Uzbekistan one of the richest countries in the region and the world and are a powerful economic foundation for the emerging national innovation system, regional innovation systems and innovation clusters.Note that the initial economic preconditions, development trajectories, periods of formation (Table 1.1), the structure of national innovation systems in different countries have significant differences.

Table 1.1. The period of formation of national innovation systems of various countries

Country	The beginning of conscious government action	Significanteconomicrecovery	Period
USA	Beginning 1960s	1980s	25 years
Taiwan	Beginning 1960s	1980s	25 years

Israel	1980s	1990s	15 years
South Korea	Beginning 1960s	1990s	35 years
Singapore	1960s	Beginning 1990s	30 years
Finland	Beginning 1950s	1970s	10 years

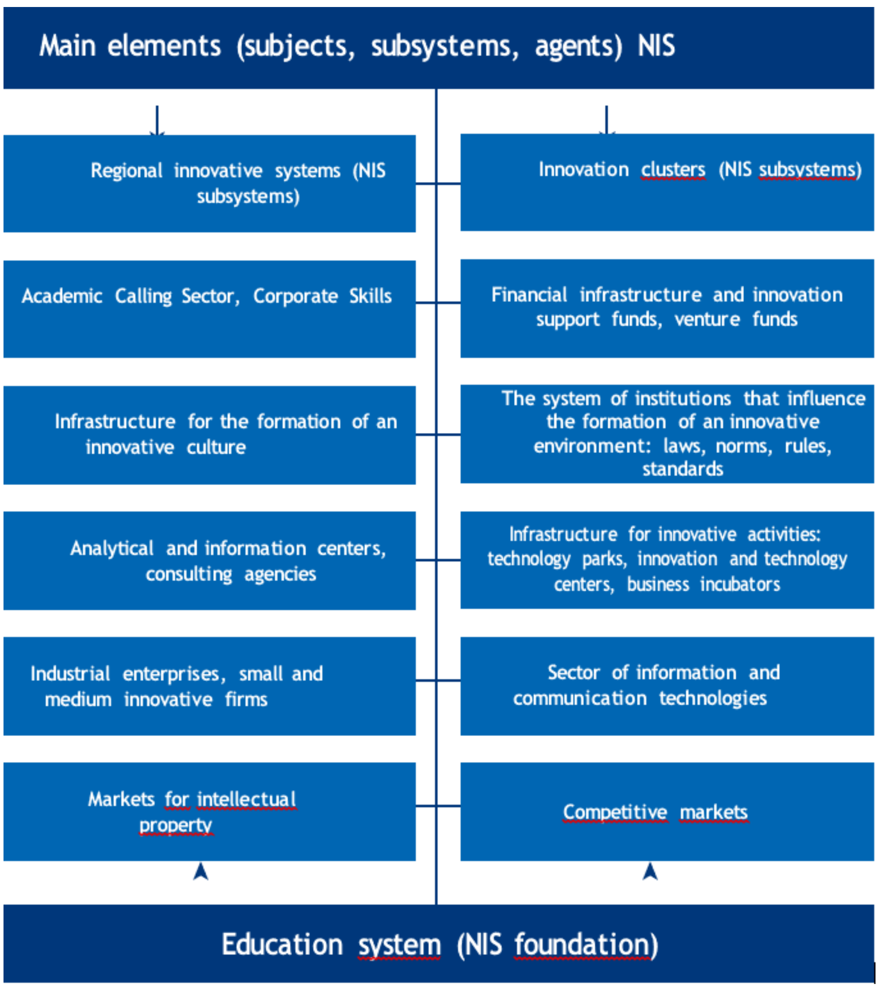

Fig. 1.2. Main elements (subjects, subsystems, agents) of NIS

However, there are common features. First of all, in the similarity of the problems of formation, in infrastructure, as part of the elements of national innovation systems (Fig. 1.2). Let us consider certain aspects of the emerging national innovation system of Uzbekistan through the prism of its components (in other words: elements, sectors).

Conclusion

World experience clearly demonstrates that there are two ways to achieve a high level of economic development.

The first way is resource-consuming development. Most regions with reserves of natural resources are developing along this path.The basis for high macroeconomic indicators is laid by the large-scale consumption of natural capital in the course of economic activity: the extraction of mineral resources, environmental pollution by uncontrolled emissions of harmful substances, etc. ―Easy‖ income from the extraction of natural raw materials and its export in the conditions of high world prices does not stimulate the development of the processing sector of industry in the regions.

The high profitability of raw material production, due to the rent nature of nature management, diverts labor and capital resources, which reduces innovative activity in other sectors of the economy. Such development is not capable of ensuring the true well-being of the population.The ―eating up‖ of resources in the course of current economic activity leaves no room for further development of economic systems. The extremely unstable nature of this path of development is reflected in the fact that a significant degradation of the natural environment in the absence of intellectual resources and modern technologies will lead to the complete ―collapse‖ of economic systems in such regions. High profits of the nature-exploiting sector are not a guarantee for the growth of the regional economy and social well-being.The second possible way of development is innovative development. The economic growth of such regions is based on the achievements of scientific and technological progress and innovative development based on the formation of regional innovation systems (RIS), and innovation clusters. Even in the absence of a rent component in the income of processing industries, the share of value added in the volume of industrial output in these regions is from 30 to 40%.At the same time, the GRP created in the process of industrial production in these regions is more evenly distributed among the population of the regions. Such development is sustainable, because it not only ―leaves‖ resources, but also creates new ones, laying the foundation for the development of future generations.

The growth of the region‘s welfare is an objective characteristic of its development. The implementation of regional development is aimed at updating and generating socio-technological knowledge as a resource for regional development.The task of ensuring the rational use of natural resource potential is becoming one of the most important, and its successful solution is reflected in the development of the economy and the strengthening of social stability in resource-producing regions.

As the experience of solving the problems of regional development in various countries shows, the specific model chosen for the development and implementation of regional policy depends on many factors.Even developed countries differ greatly both in the severity of regional problems, and in the level of territorial disproportions and political culture with its attitude to the ―permissible inequality‖ of territories, and in the methods of state intervention in regional processes.

The specificity of geo-economic interests also affects the choice of institutional structure, as it gives rise to cooperative ties and strategic partnerships between different territories and states.

The issue of regional development solves the problem of activating and describing disparate initiatives, then transforming them into projects and programs of activity and, thus, creates the basis for the implementation of large-scale regional projects. In this case, with relatively small funds, it is possible to obtain a super-total synergistic effect of regional development.

The research results presented in this monograph covered the issues of the conceptual approach of the strategy of innovative development of the Kyzylkum region using a systemic solution of an integral resource on the example of the activities of the NMMC as the main city-forming factor.

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THEORETICAL CONCEPTUAL BASIS OF TAXATION OF TOURIST ACTIVITY

Abdullaev Zafarbek Safibullaevich[1]

ABSTRACT

The role and importance of the development of tourism in the national economy, the economic and legal basis of taxation of tourism, the role of tourism in the modern economy, foreign experiences of taxation of tourism are covered.

Key words: *Taxation, Tourist Activity, Economic and Legal Basis of Taxation*

Relevance and necessity of the research article.

Taking into account the deepening of globalization process and non-standard economic conditions in the world, regulation of the economy by means of taxes, simplification of the taxation system, prevention of confusion regarding the calculation and transfer of taxes to the budget, digitization of accounts and reports, a number of measures to achieve sustainable economic growth by reducing the tax burden in the economy measures are being implemented. Today, in the context of traditionally low taxation, developing tourism has become an important sector of financial institutions in various countries of the world, accounting for 10% of global investment and gross domestic product. In particular, in the last decade, in the 37 industrialized countries of the world, in the countries of the Organization for Economic Cooperation and Development (IHRT), "the total tax burden in the economy decreased by 0.1 percent on average and made 33.8 percent".[1-3]

Taxes and their structure are an integral part of reforms (along with labor market regulation and employment promotion programs), since taxes have become the main source of state income. Most are developed and developingin the country, the income of local budgets occupies a significant share in the income of the state budget. In particular, this figure is 30% in Japan, 33% in Great Britain, 34% in Austria, 38% in France, 39% in Portugal, 58% in Norway, and 60% in Luxembourg. If the economic benefits of tourism development are easily identified (for example, increased employment), then a number of negative consequences are not obvious (for example, environmental consequences). This means that tourism activities need to be regulated by the state, but such regulation requires a balance in terms of maximizing net social and economic benefits in time[4,5].

In Uzbekistan, such as "reducing the tax burden, simplifying the taxation system and improving the tax administration" and "reducing the level of the tax burden in the economy, as well as eliminating the disparity in the level of tax burden among economic entities that pay taxes according to the simplified and universal system of taxation" priorities are defined [7,9]. In modern conditions, despite scientific and practical research on improving the taxation system and optimizing and reducing the tax burden on taxpayers, collected tax revenues are not fully reinvested in tourism, currently tourism is considered the main source of income tax revenue for organizations to cover the budget deficit, and taxes will increase in the future. progress, including the development of the tax potential of the regions, has not found its solution.

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The purpose of the research is to develop a scientific proposal and practical recommendations aimed at developing the modern system and mechanisms of taxation of tourist activities in the economy.One of the tasks of the research is to theoretically and practically study the taxation of tourist activity subjects and form conclusions that serve to evaluate the theoretical and methodological bases of its optimization directions[10,11].

The main part

PF-4947 of the President of the Republic of Uzbekistan dated February 7, 2017 "On the Strategy of Actions for the Further Development of the Republic of Uzbekistan", PF-5468 dated June 29, 2018 "On the Concept of Improving the Tax Policy of the Republic of Uzbekistan", PF-5116 dated July 18, 2017 Decree No. "On the radical improvement of the tax administration, measures to increase the collection of taxes and other mandatory payments", Decision No. PQ-3802 of June 26, 2018 "On the measures to radically improve the activities of the state tax service bodies", 13 of 2018 This dissertation works to a certain extent to fulfill the tasks defined in February order F-5214 "On Organizational Measures for Fundamental Improvement of Tax Legislation" and other legal documents related to the field.

The level of study of the problem. The theoretical foundations of taxation were studied in the scientific works of economists A. Smith, W. Petty, D. Ricardo, A. Atkinson, D. Stiglitz, Y. Lang, G. Menkiw, A. Laffer, M. Friedman, J. Keynes.

Scientific research on the tax burden in the economy and its optimization I. Aleksandrov, E. Balatsky, S. Barulin, E. Egorova, J. Fribeirn, I. Mayburov, N. Milayakov, B. Nerre, D. Stoylova, V. Titov, D. .Conducted by such scientists as Chernik, T. Yutkina.

Among local economists: O. Abdurakhmonov, M. Almardonov, N. Ashurova, S. Voronin, E. Gadoev, O. Gaybullaev, A. Joraev, O. Iminov, A. Islamkulov, T. Malikov, I. Niyazmetov, O. Olimjonov, B. Sanakulova,Researched in the scientific works of B. Tashmuradova, Sh. Toshmatov, N. Khaidarov, Q. Yahyoev [8-14].

Despite the scientific research and theoretical research carried out within the framework of this topic, it is precisely in modern conditions that the subjects of tourist activity are taxed in the economy.issues of development of the modern system and mechanisms of traction have not been fully studied in a complex and systematic way. This situation determines the level of relevance of the researched scientific-practical problems and the scientific proposals and practical recommendations for their elimination.

Issues such as the role and importance of the development of tourism in the national economy, the economic and legal basis of taxation of tourism, the role of tourism in the modern economy, foreign experiences of taxation of tourism are covered.

International and regional organizations, including the United Nations, the World Tourism Organization, the Organization for Economic Co-operation and Development, the European Statistical Committee and representatives of a number of countries of the world, as a result of research on the taxation of the tourism sector, "International recommendations on tourism statistics - 2008" and "Tourism Subsidiary Accounting: Recommended Methodological Framework 2008" manuals have been developed. These manuals cover concepts, definitions, standards, templates, data sources and recommendations on methods of their calculation related to tourism, and these recommendations are the theoretical basis for taxation of tourist activities.

Nevertheless, there are still problems in the taxation of tourist activities, and there is a need to develop conceptual frameworks for taxation of tourist activities, taking into account the specific aspects of the country. From this point of view, some theoretical concepts, definitions and recommendations related to the taxation of tourism activities in the country, resulting from the study of the above-mentioned manuals and other sources, are presented. For example, "Usual environment" is one of the main concepts in the field of tourism, and the main purpose of studying this concept is to define the border between travel and usual environment. The concept of "holiday home visit" is viewed differently in different countries. In the scientific work, considering "Visit to holiday homes" as a tourism trip and the "Domestic tourism and population physical activity observation questionnaire" conducted in households in order to study the tourist trips made by the population in the territory of the Republic of Uzbekistan, the expenses related to them, of the State Statistics Committee of the Republic of Uzbekistan ‖ consumption of households related to recreation at homeit was recommended to add questions that consider costs[15,16].

Also, in the research work, it is necessary to take into account "Tourist social transfers in kind" as tourism expenses and include expenses for non-market services (museums, performances, short-term studies, short-term medical services, etc.) provided to visitors by state bodies and non-governmental organizations. it is recommended to calculate by the difference between the volume of production calculated by the cost method of these organizations and the volume of market services provided by these organizations. At the same time, in the study, recommendations were given on the method of taking into account the payments made by the employers for the travel expenses of their employees and the methodology of its statistical calculation of "Other contingently calculated consumption" as a component of contingently calculated tourism consumption.

In an economy based on market relations, tourism is one of the important factors in providing employment and increasing income, increasing the country's export potential, and ensuring stable socio-economic development.

The production and service function of tourism is manifested by the production of products and services in the tourism sector, thereby participating in the creation of GDP. 9.2 trillion in tourism sectors in the world. dollar gross added value (GVA) was created, which is about 10.5% of GDP (and in 2020, 4.7 trillion dollars of added value was created and made up 5.6% of GDP). According to estimates, direct tourism in Uzbekistan in 2019 will amount to 13.6 trillion. GST was created in the amount of soums, and its share in GDP was 2.6% (in 2020, this figure was 0.4%).

In the research work, real relative growth (decrease) rates in tourism industries were calculated and its impact on GDP growth was evaluated. According to our analysis, in 2014-2017 and in 2019, real growth rates in the tourism sector were higher than GDP. In 2020, compared to 2019, as a result of the pandemic, GDP growth slowed down (1.7%), while tourism industry volumes decreased at constant prices.

This situation includes air passenger transport (33.0%), tour operators, travel agents and other tourism service organizations (50.1%), railway passenger transport (54.8%) and accommodation services (65.8%). had a stronger impact on the networks.

Through its function of providing employment, tourism plays an important role in solving employment problems. Tourism not only provides employment in tourism sectors, but also serves to increase population in mixed sectors operating in cooperation with them. In the research work, a comparative analysis of the indicators of the share of employment in the tourism sector and the share of tourism in the GDP was made, and scientific conclusions were drawn.

From the above analysis, it can be seen that in 2014-2018, the share of tourism in GDP was in the range of 2.0-2.4%, and in 2019, the highest rate was recorded - 2.6%. The share of employment in the tourism sector was in the range of 4.0-4.9% in these years. In 2020, as a result of the SOVID pandemic, a significant decrease was observed compared to previous years, the share of tourism in GDP was 0.4%, and the share of employment in tourism industries was 2.3%.

The recommendations for the development of the modern system and mechanisms of taxation of tourist activities developed during the research are based on the methodology developed by the World Tourism Organization. These recommendations are derived from international recommendations in the field of tourism and serve to develop the modern system and mechanisms of taxation of tourist activities.

Conclusion

Summarizing the research results, we present the main conclusions of the dissertation research.

Taxation of tourism activity subjects is related to three features of the tourist industry reflected in theoretical aspects:

- Internalization of external influences from tourists;
- Replenishment of state budget revenues;
- Covering the costs of production of public goods (for example, high security costs associated with attracting tourists).

In our opinion, all types of tourism can be presented in the form of distribution on two bases: the type of tourist product (from standard to exclusive goods) and the level of economic integration (from low to high).

Specific characteristics of tourism activity on the supply and demand side determine its intensive taxation.

If in the early 1960s, international tourism was mostly exempt from taxes, then in 1998, the World Tourism Organization (WTO) allocated 40 taxes to tourism, 73% of which were introduced since 1993.

Most of the taxes of tourist activities are general and specific curved taxes. The analysis allowed the classification of taxes for tourist activities to be divided into production branches and developed according to the carrier of taxes.

At the same time, the level of taxation of final consumers is constantly increasing.

In some countries, tourism is one of the main sectors that make up the revenue part of the budget. The financial crisis had a negative impact on the development of tourism, including the Republic of Uzbekistan.

By 2010, the share of harmful enterprises in the field of tourism began to exceed the share of non-harmful enterprises in the Republic of Uzbekistan on average, which indicates the ineffectiveness of indirect taxation.

The traditional form prevails. The simplified tax system takes the second place after the traditional form of taxation in terms of distribution, and its share is growing.

The choice of the tax system is influenced by the organizational and legal form of the enterprise, the form of ownership and the dependence on the industry. If UTII prevails in hotels and restaurants, a simplified tax system prevails in the organization of rest and entertainment.

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THE PROS AND CONS OF PRIVATIZING ENTERPRISES AND ORGANIZATIONS: EXPLORING THE IMPACT ON PRODUCTION DEVELOPMENT IN UZBEKISTAN

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ABSTRACT

The article raises the issue of withdrawing enterprises from state control and fundamentally renewing Uzbekistan's businesses. Currently, there are 2,819 state-owned enterprises in the country. The majority of them cannot even pay dividends due to their outdated and inefficient methods of operation. Additionally, there has been no modernization or reconstruction of these enterprises for years. The possibilities and development opportunities provided to enterprises through privatization are highlighted.

Key words: *Privatization, oil and gas industry, market economy, private ownership, state ownership, production, products, modernization, reconstruction, raw materials, jobs.*

Introduction

Since the early years of independence, the Uzbekistan government has given great attention to the privatization of enterprises and organizations. The main reason for this is the transition to a market economy. The privatization program was developed and is being implemented in line with the "Uzbek model" of the transition to a market economy, which takes into account the social, spiritual, and cultural aspects of the country and its people. The market economy is based on private ownership, and each consumer is more careful about their property. This ensures quality and efficient service of the property for many years.

The Law No. 425-XII "On Expropriation and Privatization" adopted on November 19, 1991, is the basis for many processes of privatization in Uzbekistan. For example, the privatization of banks in the country has turned them into joint-stock companies.

Relevance of the research topic is the need to fundamentally update approaches to privatization, attract international experts, and move to a system specific to the market economy is necessary. Specialists in privatization and corporate management need to be trained and their qualifications upgraded. In addition, managers of state-owned enterprises should be trained in this regard. Privatization of state-owned factories is also a major focus.

Setting a scientific problem. One such factory is the Fergana Oil Refinery, a subsidiary of Uzneftmahsulot joint-stock company located in the Fergana region. The plant produces more than 56 products, including octane gasoline, aviation kerosene, diesel fuel, coconut, various motor and diesel oils, and paraffin. However, the enterprise uses only 50% of its potential due to the lack of modernization and reconstruction of the enterprise over the past 20 years, the lack of basic raw materials for the full operation of the plant in Uzbekistan, and the COVID-19 pandemic. As a result, the demand for the enterprise's products has sharply decreased.

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The purpose of the study is to highlight the central importance of the oil and gas industry in ensuring the economic freedom of any country. Minerals such as oil, gas, hydrocarbons, and coal are considered the raw material base of the oil and gas industry, which is more profitable than any other industry. According to the Decree of the President of the Republic of Uzbekistan dated February 11, 2021, No. P F-6167 on "Further Accelerating the Processes of Privatization of State Assets," 100% share in the authorized capital of "UzAssets" JSC, "FNQIZ" LLC had announced its desire to sell through a public sale process.

Scientific essence . Privatization of enterprises has been an ongoing process in many countries, including Uzbekistan. To achieve success in this endeavor, it is important to study the experiences of foreign enterprises while taking into account their achievements and shortcomings. In the case of the oil and gas industry, which relies heavily on a rich resource base, it is crucial to ensure its profitability.

Resource abundance has been a major factor in the growth of oil production in many countries. The oil sector is particularly focused on the utilization of this resource. Some of the largest representatives of countries rich in natural resources in the world are the USA, Canada, Australia, Spain, countries of the Persian Gulf, Malaysia, Norway, Lebanon, and Russia [1].

Studying the experiences of these countries can provide valuable insights into the best practices for privatization and resource utilization in the oil and gas industry. This includes strategies for increasing profitability, modernizing infrastructure, and improving efficiency. However, it is also important to consider the unique social, cultural, and economic contexts of each country in the development of privatization programs.

In Uzbekistan, the government has already taken steps to accelerate the privatization process through the sale of state assets. For example, UzAssets JSC and FNQIZ LLC have recently been put up for public sale. However, to ensure the success of privatization and development of the oil and gas industry, it is essential to continue learning from the experiences of other countries while adapting strategies to local conditions. This includes investing in the training and development of skilled professionals in privatization and corporate management. By doing so, Uzbekistan can unlock the full potential of its oil and gas resources and create a more prosperous future for its citizens.

Methodology used. Research at work grouping, categoriinge, comparing, induction, deduction, surveillance, statistics analysis were used.

The main part. We maintain state participation even in areas where it is not necessary. "There have been no significant changes in the management of state-owned enterprises, increasing the effectiveness of their activities, transferring their functions to the private sector," said Shavkat Mirziyoyev [2].

After the successful privatization of the Fergana Oil Refinery in Uzbekistan, the foreign company "Sanoat Energetika Group" (formerly Jizzakh Petroleum) has taken over the plant with a commitment to invest more than 380 million US dollars for the modernization of the plant. With their extensive experience and availability of necessary raw materials, the company is expected to bring numerous benefits to the

[1] Vahobov Sh.V Scientific-theoretical basis of methods of resource utilization in oil and gas industry. "Economics and society" #11(90) 2021.

[2] The meeting of the President of the Republic of Uzbekistan Shavkat Mirziyoyev on December 11, 2020, dedicated to the effectiveness of the reform of state-owned enterprises and the priority tasks in this direction.

country. These include the production of modern and environmentally friendly gasoline, diesel fuel that meets Euro-5 requirements, Jet A-1 jet fuel, and increased production of liquefied natural gas. The modernization of oil aggregates and an increase in production capacity by at least 2 million tons are also included in their investment plan.

To develop a privatized oil enterprise that can compete at the global level, it is important to follow certain suggestions and recommendations. Firstly, investing in liquefied natural gas (LNG) production and technology is a smart move that can enhance the enterprise's profitability. Additionally, searching for other sources of oil and gas can help secure the raw materials needed for production. It is also suggested to organize new departments such as oil and gas processing, petrochemistry, and gas chemistry within the enterprise to expand its operations. Attracting equipment and technologies for gas stations, along with purchasing new non-destructive testing (NDT) and automated control systems (ACS) equipment, can further improve the quality of products and services. Finally, the wide introduction of information technology (IT) in the oil and gas industry can facilitate full deep processing of oil raw materials and help develop the enterprise's production capabilities.

Table 1

Country	The length of pipe, thousand km		
	Oil pipe	Gas pipe	Altogether
USA	276,0	331,0	607,0
Russia	63,0	150,0	213,0
Germany	7,5	97,6	105,1
Canada	23,5	75,0	98,5
Mexico	39,7	13,2	52,9
France	7,5	24,7	32,2
Italy	3,8	19,4	23,2
China	10,8	6,2	17,0
Argentinian	7,0	9,9	16,9
Great Britain	3,9	12,8	16,7

This table gives us information about the length of oil and gas pipelines of the countries of the world.

it appears that America was the leader in the length of both pipelines, while the shortest pipelines were in Great Britain.

If we look at more specific data, the length of the oil pipeline in America was 276.0 km and the gas pipeline was 331.0 km. And with this index, it made a big difference from other countries. Following this, Russia also had longer pipelines than the rest of the countries, but gas pipelines were two times less than America, and oil pipelines were almost four times less. Mexico also had long oil pipelines with 39.7, but gas pipelines were 3 times less. The length of the oil pipelines of Germany and France was the same with 7.5, but the length of the gas pipelines was different, that is, the length of the first one was 97.6 and the second one was 24.7.

A similar phenomenon was observed in Italy and Great Britain, namely the oil pipelines were almost equal in both, but the gas pipelines were different and they were also lower than 20. Canadian oil pipelines were almost 3 times less than gas pipelines, and gas pipelines were estimated at 75.0. And in other countries, China and Argentina, oil pipelines were below 11 and gas pipelines were below 10, ie the former was 6.2 and the latter was 9.9

Overall, the successful privatization of the Fergana Oil Refinery and the commitment of the new owner to invest in modernization and expansion provide great opportunities for the development of the oil and gas industry in Uzbekistan. By following the recommendations and suggestions outlined above, the privatized enterprise can further increase its competitiveness and contribute to the country's economic growth.

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IMPROVING THE ECONOMIC MECHANISM OF THE FUEL-ENERGY NETWORK

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ABSTRACT

This work is a continuation of a series of authors' publications in the framework of a study of tools for supporting the fuel and energy complex in the context of achieving energy efficiency and energy independence of the regions. In this paper, the definition of the term ―state support of the fuel and energy complex‖ was formulated, an analysis of state programs for supporting federal and regional levels in the fuel and energy complex was made. A consistent methodological scheme has been developed for organizing the process of improving the instruments for supporting the fuel and energy complex of the region, according to the specifics of the development of the fuel and energy complex and its role in the region's economy.

Keywords: energy security, energy supply, electric energy,fuel and energy, economic efficiency, transmission, sales, market principles, economic mechanism, thermal power plants, thermal power centers, regional energy market, vertical integration, tariffs, regulatory methods, management methods, economic risks.

Introduction

The basis of the effective development of the world community at the current stage is the stable development of the enterprises of the fuel and energy complex. Enterprises of the fuel and energy complex must provide energy resources for the ever-increasing population of the planet and the growth of the world economy with an average annual GDP growth rate of 3.5-4%, which is 1.3-1.5% of energy consumption worldwide by 2030. leads to an increase in times. In the sustainable development scenario of the World Energy Agency, the share of coal consumption in the world energy balance will decrease to 60% by 2040 compared to 2017, oil consumption will decrease to 71%, and natural gas consumption will increase by 10%, as well as the share of NPP energy to 88%, HPP to 50% the share of renewable energy sources is set to increase by 220%.[2]

Taking into account the important role of the fuel and energy complex for the economy of the countries of the world in the conditions of increasing globalization and integration in the world, scientific research aimed at studying the processes of sustainable development of enterprises of this sector is gaining importance. The methods and mechanisms of management of production and economic activities of the enterprises of the fuel and energy complex are constantly improving, the speed of systemic changes in the industry is increasing, the achievements of innovative processes are being actively used, the market value and investment attractiveness of the enterprises of the industry are increasing, which in turn increases the competitiveness of the manufactured products. encouraging. In this regard, scientific research in the direction of development of economic, social, organizational, institutional, innovative and infrastructural mechanisms of sustainable development of fuel and energy complex enterprises is being paid attention to.

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[2] World Energy Model. Documentation. 2019 Version. IEA. 2020. 88 p. (http://www.iea.org/policiesandmeasures/).

Analysis of literature on the topic

Several economists are conducting scientific research on the concept of "energy security". Energy security is one of the most discussed topics today. But there is no universally accepted definition of "Energy security". Therefore, the concepts of "Energy security" or "Energy supply security" are often used in practice. [3].

The impact of the innovative development of the fuel and energy complex enterprises on the national economy, the characteristics of economic growth and the rapid driving factor of increasing the employment of the population were studied in the study. Summarizing the research carried out in this direction, methodological approaches in assessing the level of development of fuel and energy complex enterprises, including innovative, technological, and systematic approaches were analyzed in the study, the possibilities of using them in the effective development of industrial enterprises were theoretically analyzed, and relevant conclusions were formed. At the same time, there is no specific international standard for energy affordability, it is studied among countries according to gross domestic product (GDP), inflation rate and per capita[4].

For energy exporting countries, security of demand can be as important as ensuring reliability and security of supply. In these countries, the economy and the state budget are highly dependent on income from energy exports. For example, the oil industry accounts for 42% of Saudi Arabia's GDP, 87% of budget revenues, and 90% of exports [5].

However, there may be conflicting views between producers and consumers regarding the optimal rate and rate of discovery. The International Energy Agency, which unites energy-consuming countries, considers the concept of energy security to be the availability and continuity of energy sources at a low price [6].

Research methodology

The results of the scientific research of national and foreign scientists, who were engaged in the analysis of the problems of increasing the economic efficiency of the fuel and energy industry, served as the theoretical and methodological basis of this study. In the preparation of the article, abstract and analytical observation, comparative and factor analysis, indicative, selective observation, comparison, economic-statistical and other methods were used.

Analysis and results

Based on the results of various studies in foreign and local scientific literature, the main approaches to the development and implementation of the strategy for the sustainable development of industrial enterprises, according to the author, taking into account the system-forming role of the republic's fuel and energy complex, which in general arise as a result of the sustainable development of energy enterprises and industries represents logical changes directed as a result of efficient and sustainable development of the fuel and energy complex.

It has been determined that systems that do not change their properties and characteristics under the influence of external and internal changes maintain stability. We believe that the process of sustainable development of fuel and energy complex networks of the Republic of Uzbekistan should be related to the concept of changing energy based on "3D" (digitalization, decentralization, decarbonization). The author proposed to fill this list with another term - intellectualization, which would reflect the real state and development prospects of future energy systems - "smart", integrated energy system.

It should be noted that currently the fuel and energy system of Uzbekistan is undergoing rapid changes. At the same time, energy storage and large power plants, including nuclear power plants, which are essential for sustainable electricity supply, require a completely different approach to a new ecological energy supply system that uses a large number of renewable sources. The growing number of energy consumers forces a complete reorganization of the energy system management. Consequently, the energy industry will become more intelligent, and it will be possible to effectively manage the complex energy system only if digitalization opportunities are widely used in YoEM enterprises.

However, the analysis of the current situation in energy sectors shows that, despite energy independence and freedom, the issue of sustainable development of fuel and energy sectors of the national economy is becoming urgent, which is connected with the growing need for energy resources. Therefore, the issues of reliability of energy supply, transition to energy-saving technologies, development of alternative energy are becoming urgent. According to the author, taking into account the above, one of the priority tasks of continuing the sustainable development of the energy sector in Uzbekistan is to attract foreign direct investment, such as thermal power plants (PPP), nuclear power, renewable energy sources (QTEM). is the development of production capacities in the directions.

The following aggregates of evaluation indicators can be distinguished for evaluation: product-related; functional; resource-related; management; organizational indicators. The basic assessment for the innovation potential of the internal environment is a functional aggregate that determines the innovation potential of the system (Figure 1).

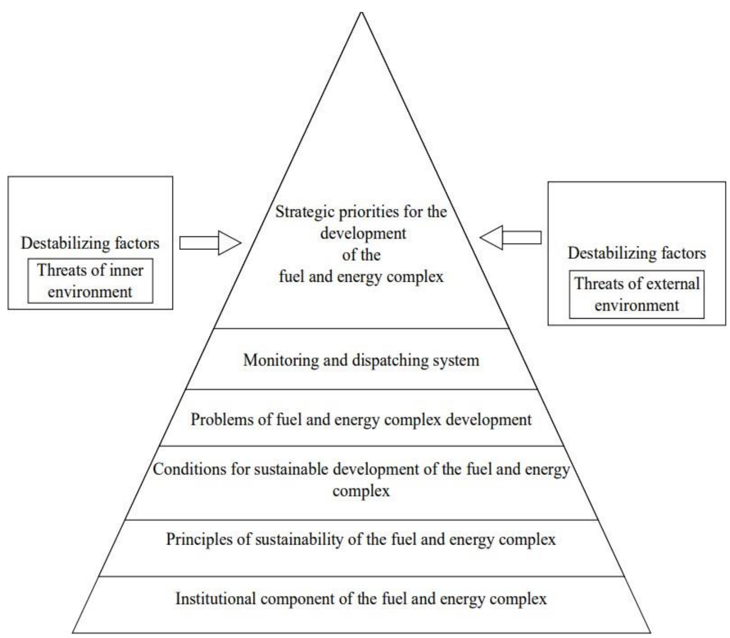

Figure 1. Elements of the concept of orbital sustainable development of the fuel and energy complex[1]

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[1] Kondrakov O.V. Klassifikatsiya ugroz energeticheskoy bezopasnosti regiona // Sotsialno-ekonomicheskie yavleniya i protsessy. 2012. No. 10.

During 2015-2022, it can be observed that the rate of gas extraction in the fuel and energy complex has increased. It was noted that the rate of oil production and, accordingly, its processing decreased, and the rate of coal mining and, accordingly, the production of electricity increased from year to year (Table 3).

Table 3 **Total product of fuel and energy industries volume growth rates (in percentage terms compared to the previous year)**

Network	2015	2016	2017	2018	2019	2020	2021	2022	2015-2022
Electric power industry	102.7	101.1	103.0	101.3	102.2	105.8	110.3	103, 0	133.1
Coal	98.2	108.5	95.3	109.2	110.0	90.4	111.3	104.4	128.1
Oil production	101.3	102.9	104.5	97.7	91.9	112.9	96.2	93.7	99.5
Oil processing	90.7	100.9	94.1	105.4	99.9	93.0	97.2	98.9	81.1
Gas	110.3	100.3	109.7	99.8	96.9	112.5	101.5	100.5	134.7

The feasibility of replacing natural gas and oil products used in the production of electricity, increasing the share of coal in the structure of the republic's fuel and energy balance serves as the main factor for the priority development of the coal industry.

There is no doubt that innovation and investment processes are one of the factors driving the future economic and ecological development of YoEM. The study of the characteristics of innovative-investment processes in the fuel and energy sector of the industry determines the compliance of the main directions of increasing the efficiency of the fuel industry with the policy of modernization of the economy of Uzbekistan. In 2010-2017, the analysis of the study of the dynamics of the production of products in the fuel and energy industry showed that the development of the complex is stagnant (Table 4), and the increase in the capacity of extraction of fuel resources creates an opportunity for the increase in environmental damage. Therefore, it is appropriate to carry out innovative-investment processes integrated with economic-ecological measures in the activity of the complex. Today, the market conditions of fuel resources are changing. The reason for this is not only the sharp changes in oil prices, but also the decrease in energy carriers.

Table 4 Types of products in fuel and energy industries production dynamics

Product types	2010	2011	2012	2013	2014	2015	2016	2017
coal, thousand tons	3629.4	3844.8	3753.0	4090.0	4396.8	3488.0	3867.3	4038.6

Electricity, mln. kWh	51976.3	52806.2	52999.6	54618.6	55766.0	57658.1	59100.5	60092,3
oil, thousand tons	2017.9	1901.6	1571.7	1279.8	1031.3	1000.1	867.9	806.0
Gas condensate, thousand tons	2019.5	1835.6	1765.4	1887.4	1835.8	1728.0	1747.5	1961.7
Automobile gasoline, thousand tons	1413.8	1323.2	1237.2	1164.3	1068.1	1064.0	1134.3	1106.2
Diesel fuel, thousand tons	1127.9	1052.0	1009.3	1125.3	982.1	1286.4	1008.3	962.9
Fuel oil, thousand tons	321.7	278.3	255.2	202.3	143.7	89.8	93.4	111.4
Liquefied gas, thousand tons	369.8	365.4	382.1	559.6	606.8	836.3	654.9	692.9

Activation of investment processes, increasing the level of use of its reserves should be the reason to get out of the current tension in the economy. Only in this way, during the period of economic reforms, new directions of formation of investment reserves will serve as a basis for the growth of the processing base in a specific sector of the economy.

Taking into account the aforementioned, as well as the fact that the fuel and energy complex is considered a system-forming structure of the national economy, it can be noted that it can stimulate economic growth and thereby increase the well-being of the population. and the interrelationship between the development of the fuel and energy complex (based on VEF data for 2007-2017) was studied. Studies show that positive growth of the EAPI (Energy Architecture Performance Index) index is very important for the economy of the country and for the stable growth of GDP.

The method of calculating the sustainable development of YoEM enterprises based on cumulative integral indices includes the following stages:

Stage 1 - formation of a system of coefficients. Based on the analysis of the coefficients describing the technical-technological stability, personnel and commercial stability of the enterprise, it is proposed to use a system of indicators that covers all the specified areas of the enterprise's activity.

Step 2 - calculation of private indices based on selected coefficients. Private indices of the sustainable development of the enterprise are determined using the ratio of Iji basis and coefficients of the reporting period:

$$I_{ji} = \frac{k_{ji}^{1}}{k_{ji}^{0}}$$

where k1 ji is the coefficient of the reporting period;

k0 ji is the basic period coefficient.

Step 3 – calculation of the average values of indices based on the geometric mean. It is advisable to use the geometric mean in work. This type of geometric mean is used to determine average relative changes, and in this case, this value gives the most accurate averaging result.

$$\overline{x} = \sqrt[m]{x_1 x_2 \ldots x_n} = \\ = \sqrt[m]{\prod x_n} = \sqrt[m]{\prod I_{ji}}$$

where x1...xn is the average geometric value;

m is the number of cycles.

Step 4 - based on the proposed system of coefficients, the calculated indices and the average values of the indices for n periods, the cumulative index of sustainable development of the enterprise is calculated (IUR):

$$I_{\text{УР}} = \frac{\sum_{i=1}^{m} \overline{x}_i}{n}$$

If the generalized index of sustainable development has a value greater than 1, it indicates the sustainable development of the enterprise, where the higher the value of the index, the higher the sustainability reserve of the enterprise.

The multi-factor analysis of sustainable development of YoEM enterprises allows establishing a direct relationship between financial results and factors such as the volume of fuel resource extraction, the number of mines, the number of YoER consumers, the increase in the share of alternative energy sources in the total energy balance of the republic, and this is a multiple equal to 0.9328 confirmed by the correlation coefficient.

As a result of the research, the following conclusions can be drawn:

the analysis of forecasts of extraction, processing and sale of fuel and energy resources allows to note that the resource potential of YoEM sectors is quite satisfactory for the next 15 years;

YoER extraction and sale and export in the domestic market provide 60-70% of foreign exchange earnings and make up 32-35% of GDP, measures aimed at increasing the share of alternative energy sources (TEM, green energy) in the total energy balance of the republic have been sufficiently implemented , AES will be built and put into operation, OPF modernization processes will accelerate, decentralization, digitalization and intellectualization processes will further develop in YoEM networks;

the obtained multi-factor correlation equation allows YoEM enterprises to model the optimal volume of YoER production and sales, as well as to forecast the financial result;

It was determined that the most necessary factors affecting the sustainable development of the energy and fuel enterprises are the stable volume of mined and produced fuel and energy resources, increasing the efficiency of the energy resources, reducing the energy capacity of the GDP and actively developing technologies that save energy and resources.

Conclusions and suggestions

The relationship between the sustainable development of the fuel and energy complex and the growth of the gross domestic product was studied on the basis of cross-country regression analysis, which showed that the effective development of the fuel and energy complex has a negative effect on the GDP growth of one of the energy infrastructure sub-indices (EAPI) - the environmental sustainability sub-index (ENSUS). made it possible to develop a methodology for determining the impact on the growth of the domestic gross product, which takes into account the minimization of the impact.

Methodology for determining threshold values of sustainable development of YoEM enterprises at normal, pre-crisis and crisis levels was developed. The implementation of this methodology in the scientific and practical activities of "Uzbekneftgaz" JSC and "Regional Power Grids" JSC allowed to increase the economic efficiency of these enterprises by 11%, which, in turn, allowed to increase the projected profit of mining enterprises by 456 million soums.

An improved methodology of sustainable development of YoEM enterprises was proposed. The implementation of this proposal made it possible to assess the economic efficiency of sustainable development of all types of activities of mining enterprises and to increase the stability of these enterprises by 25%;

A multi-factor analysis of sustainable development of YoEM enterprises was carried out. Based on this analysis, a mathematical multi-factor econometric model of sustainable development of the fuel and energy complex of the republic was developed, which allows to forecast the volume of oil and gas extraction, sale and processing, electricity production based on 3 different scenarios - pessimistic, inertial and optimistic.

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INTERNAL CONTROL AND AUDIT: INTERNATIONAL EXPERIENCE

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ABSTRACT

From a theoretical point of view, the article highlights the foreign experience of legal regulation of the organization of internal control and audit, which includes the stages of development of legal support for the organization of internal control and audit around the world, the provisions of the Sarbanes Law. The Oxley Act on the organization of internal control, including: issues such as corporate responsibility, auditor independence and conflict of interest, transparency of financial reporting, creation of regulatory bodies at the organizational and state levels are explored.

The article also provides a more comprehensive overview of the responsibilities for setting up and maintaining internal controls and the requirements for a board of directors in the UK. In addition, the main documents in the field of regulation of internal control and audit in the EU countries were studied.

Unlike foreign countries, our national legislation subjected to a critical analysis of the existing legal documents on the organization of internal control and audit.

***Key words**: internal control, internal control system, internal audit, Sarbanes-Oxley, corporate responsibility, financial reporting, corporate code of conduct, auditor independence and conflict of interest, financial reporting transparency, Audit Committee, internal control system regulation in the UK, internal control in the EU country, risk management committee, international experience.*

Introduction

The legal regulation of the organization of internal control and audit differs from the form and level of regulation of the activities of economic entities. The catalyst in the development of the regulatory framework for the organization of internal control and audit around the world is associated with a number of financial scandals associated with the manipulation of financial statements in the early 2000s (Epgop). The identified cases showed shortcomings in the organization of internal and external control over the reliability of information, transparency of the process of preparation of corporate management and financial statements, as well as insufficient responsibility for the organization of internal control. In response to the identified problems, a number of states have developed regulatory legal acts that strengthen the requirements in the field of internal control and reporting. One of the most popular pieces of legislation enacted as a result of the above scandals was the Sarbeynes-Oxley Act [1], which established a new regime for regulating the activities of companies and corporate governance requirements in the United States.

Research methodology. In the process of researching the stages of formation of theoretical knowledge related to the organization of internal control and internal audit on the basis of international experience, such methods as systematic analysis, induction-deduction, complex assessment, grouping, logical and comparative analysis were used.

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DISCUSSIONS AND RESULTS

As you know, Article 21 of the law" on accounting " [2] establishes the obligation of the economic entity to organize and carry out internal control. As for the internal audit, the obligation to carry out it is established by a regulatory legal act. In this regard, a problem arises before organizations: the creation of a single service of internal audit and control, or conducting an internal audit separately from an internal audit. Since there is no clear difference between concepts, there is no single correct answer to this question. Many experts express completely opposite points of view on this topic. For example, a lecturer at the financial University under the Government of the Russian Federation I.S Egorova recommends, based on the requirements of the legislation, "to follow the Basic Rules, moral principles, regulatory framework used in audit activities" [3] in determining internal control. At the same time, the representative of the Institute of internal auditors A.M. Sonin believes that internal audit is an integral part of internal control and assumes the function of "feedback", identifying the shortcomings of the entire internal control system [4].

Scientists from Uzbekistan, including professor K.Akhmedzhanov believes that" internal audit is an activity aimed at ensuring the correct accounting data and the organization of an effective internal control system at the enterprise " [5]. Professor R.And Dusmuradov said that " internal auditors check the activities of the enterprises in which they work. But, as a rule, they are part of the Enterprise Administration (Board of directors)" [6]. Professor Sh.Ilkhamov acknowledges that" internal audit is considered an integral and important element of management control". It also makes it possible to argue that" the internal audit of common signs allocated by specialists has the following specific characteristics: 1) independent activities carried out within the economic entity; 2) activities aimed at assessing the effectiveness of the work of the economic subtext " [7].

The provisions of the Sarbeynes-Oxley Act consist of 11 parts covering the following issues:

1) corporate responsibility. The criminal liability of the management is determined by its sufficiency to establish and implement internal control, including ensuring the preparation of reliable financial statements.

Section 302 of the Act requires the company's CEO and finance director to sign periodic reports submitted to the U.S. Securities and stock markets Commission, as well as certify the fulfillment of the following requirements:

- That the person who signed the report checked the information contained in the report;
- The report does not contain unreliable statements regarding important cases in all important aspects or does not miss information regarding similar cases;
- The financial data provided in the report"in all important respects fairly reflects the financial status and performance of the issuer";
- The person who signed the report developed, introduced and evaluated the internal control system, as well as conclusions on the effectiveness of the internal control system (int), including all significant shortcomings, response measures and changes, including events from the date of the assessment of the int and situations that can significantly affect internal control;
- The management of the organization approved and implemented a corporate code of Conduct for senior management personnel.

Section 304 of the Act also provides for a ban on the payment of incentive payments to the Chief Executive Officer and the director of Finance based on the achievement of financial performance by the organisation in the event that the report is found to be significantly inconsistent with the requirements set by the state due to a formal offence. This restriction reduces the motivation of the management to intentionally disrupt financial statements in order to exceed bonuses.

2) independence of auditors and conflict of interest. In order to avoid collusion of auditors and audited persons, requirements for independence were developed that limit the auditor's interaction with the audited persons: a ban on the preparation of financial statements and the provision of a number of services related to the presentation of the customer's interests in courts, restrictions on the degree of kinship and economic dependence of the auditor

Section 303 of the Act also establishes a prohibition against performing acts of some kind in order to force, deceive, blackmail or mislead auditors to intentionally obtain false auditing conclusions. Thus, the responsibility of the management of the organization is established to provide reliable information to the auditor.

3) transparency of financial statements. The Sarbeynes-Oxley Act establishes disclosure requirements in the financial statement in addition to the basic facts and explanations in the Financial Statement, Information on off-balance sheet substances, as well as important operations and balances with shareholders and management. Thus, the informational value of financial statements for interested parties increases.

4) creation of organizations and regulatory bodies at the state level. It is mandatory for state organizations to establish an audit committee, which is responsible for monitoring internal control processes, in particular, the process of preparing financial statements. The Audit committee should include at least one" financial expert", that is, a person with sufficient knowledge and experience in the field of accounting and audit, internal control. The Audit committee has the authority to monitor and analyze the activities of external and internal auditors.

In order to carry out regulation at the state level, an supervisory board was established to protect the interests of investors and maintain financial statements of state-owned companies responsible for monitoring the audit of state-owned companies in order to improve the quality of auditors ' reports.

Based on the above, we can conclude that the Sarbeynes-Oxley law makes strict demands on the heads of organizations for the organization of internal control to prevent unfair actions, including manipulation of financial reporting data. The introduction of this regulatory document increased the level of trust of interested parties in information received from companies, as well as increased the quality of reporting and the effectiveness of internal control. At the same time, many critics argue that there is a need for significant restrictions on the freedom of market entities, flexibility of rules and significant costs for the implementation of internal control. As a feature of the Sarbeynes-Oxley law, excessive attention should be paid to one aspect of internal control: the preparation of reliable financial statements and the lack of regulation of other areas of internal control activity.

Unlike the Sarbeynes-Oxley Act, regulatory legal acts in the United Kingdom more broadly consider the responsibility of persons responsible for corporate governance to establish and maintain an internal control system and define the following requirements for the activities of the board of directors:

- Implementation of a balanced and transparent assessment of the position and prospects of the organization;
- Determination of the nature and impact of risks, as well as risk management and maintenance of int;
- Establish a formal and transparent relationship with the auditor.

Thus, the sphere of responsibility is not reduced to control the process of preparing financial statements, but affects the activities of the organization as a whole.

The main documents related to the regulation of internal control are the code of corporate governance [8], the law on companies [9], the rules for listing securities on the exchange [10]. The regulatory system in the United Kingdom sets a number of requirements similar to the United States: periodic assessment of the internal control system, disclosure of information about the results of the assessment conducted in the company's annual report, requirements for the independence of auditors and the correctness of accounting and reporting. However, there are a number of differences between the two regulatory systems:

1) the board of Directors is responsible for establishing and exercising internal control in the United Kingdom, while in the United States the role is vested in the Chief Executive Officer and the director of Finance.

2) the UK Corporate Governance Code places more emphasis on risk management issues developed by the Financial Reporting Council, specifically risk management, internal control and related financial and business reports. Recommendations have been made by the board of directors to address the following issues: reliability of risk assessment, critical risk coverage, risk determination, compliance of response measures with identified risks, etc.

3) the regulatory system in the United Kingdom is based on principles that determine the basis of the activities of economic entities, but do not provide for detailed guidelines, while regulation in the United States is less flexible and sets more specific requirements for the implementation of internal control. Establishing principles instead of rules, on the one hand, allows economic entities to adapt to specific conditions of activity, and on the other hand, can lead to differences in interpretations and misinterpretation of legislation.

As for the countries of the European Union, the main documents in the field of regulation of internal control can include the EU directive 8 [11], as well as the EU directive 2014/56/EU [4], regulation 537-2014 [12] and the European Commission communications "som (2003) 286" [13]. In accordance with these documents, the main responsibility for the organization of internal control is assigned to the board of directors and the audit committee working under its supervision, which, in accordance with Directive 2014/56/EU, "monitors the audited Organization for the effectiveness of Internal Quality Control and risk management systems, and, if necessary, internal audit in connection with financial reporting, without violating the principles of independence" [14].

Thus, in European countries, a separate operating body is of great importance, which is engaged only in the preparation of financial statements and control over the audit process. There is also a tendency in EU countries to allocate another body under the board of directors: the risk management committee. For example, in accordance with the Capital Requirements Directive [11], European banks are required to establish separate audit committees and risk management committees. The responsibilities of the risk management committee include monitoring the organization's actions in risk management, risk management policies, compliance with the company's risk response measures, strategies, and capabilities.

It is also worth noting the importance of associations that actively cooperate with national regulatory authorities and represent the interests of industrial workers in the European Union and internationally: the risk-manager Federation of European associations (Eng. "Farm"), Institute of internal auditors (Eng. "IIA"), the Association of internal supervisors (Eng. "AISR"). These associations participate in the development of standards and analyze the existing development trends of internal control and internal audit. Despite the fact that these organizations do not have a legislative obligation to comply with the requirements established in their documents, many companies voluntarily follow the recommendations of international associations in order to increase the confidence of interested parties in their activities.

Unlike foreign countries, our national legislation does not establish strict requirements for the organization of internal control: the law "on accounting" [Article 2, 21] establishes the obligation of the economic entity to organize and carry out internal control. In comparison with international experience, the corporate management system of organizations of Uzbekistan is not transparent enough, for example, the obligation for organizations of the non-financial sector to publish periodic reports on the results of an assessment of internal control by the company's management is not provided for.

The relatively undeveloped system of regulating the organization of internal control is also characterized by the absence of a clear definition of the persons responsible for establishing and maintaining int: financial statements do not contain information directly indicating the responsibility of the persons res ponsible for management and corporate management, and the only mention of this fact is often that the audit standards of the external auditor also provide

In accordance with Article 11 of the law of the Republic of Uzbekistan "on accounting", the head of the economic entity is responsible for organizing accounting and reporting, and in accordance with Article 12 of this law, "the requirements of the head of the accounting service for formalizing economic operations on the basis of documents and presenting them to the accounting service are mandatory for all employees of

As for internal auditing, it is characteristic for small and sometimes medium-sized businesses to carry out business ownership and management functions in Europe and the United States. In large and most medium-sized companies, there is a division of these functions, in which the owners of the property, not interfering with the details of the daily proceedings, are engaged in determining the issues of strategy and direction of the development of the company, while a professional manager is hired to manage the company. However, no matter how professional the manager is, control over the state of affairs in the company remains relevant for property owners. In such cases, one of the acting means of control can be an internal audit.

Uzbekistan has created a legislative framework for internal audit, for the implementation of which, by Annex 2 of the resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 215 of October 16, 2006, the "regulation on Internal audit Service in enterprises is approved". In addition, ensuring the implementation of the decree of the president of the Republic of Uzbekistan "on further improving the efficiency of the expenditures of the state budget of the Republic of Uzbekistan and improving the activities of the state financial control bodies" of February 14, 2022 PQ-128, as well as, in order to further develop the Internal audit Service of ministries and departments and improve the regulation of their activities, the resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated August 1, 2022 No. 416 "on approval of the model regulation on the Internal audit Service of ministries and departments" was adopted.

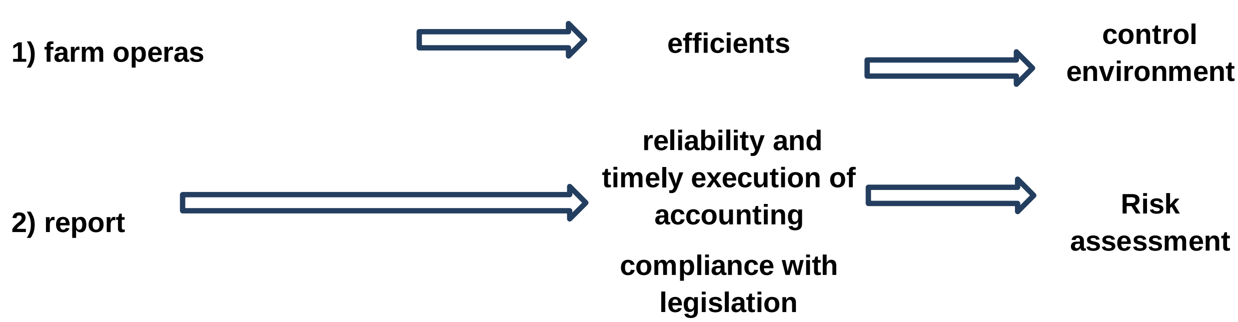
Our national legislation partially includes the functions of internal control, as a result of which the functions of the two divisions are repeated. First of all, in order to realize the parallelism between internal control and internal audit, it is necessary to clarify the goals of these processes and their role in the organization. After comparing the current definitions and the provisions of audit international standard 610- "the use of the work of internal auditors" - it can be seen that these processes are aimed at achieving similar goals. Comparison of definitions is given in Table 1.

1-Table Objectives of internal control and internal audit

Internal audit (610th AXS)	Internal control
Examination of the effectiveness and effectiveness of nonlinear activities of the organization, including operational activities	Efficiency and productivity of activities
Study of financial and operational activities	Reliability and timely execution of the report
Checking compliance with the requirements of law and regulatory documents	Compliance with current legislation
Evaluation of the internal control system	-

Based on the comparison of the goals shown in the table above, we can conclude that internal audit combines internal control functions and, in addition, assesses its effectiveness: the 610th AXS provides a detailed description of internal audit activities related to internal control. However, the Soso concept considers the fifth element of the internal control system to be monitoring. Soso elements corresponding to internal audit objectives are shown in Figure 1.

Based on the division of internal control proposed by the Soso concept into components, it can be noted that the responsibility of internal control also includes elements such as interaction between relevant units, monitoring, within the framework of risk identification and assessment, exchange of information on identified risks and those responsible.



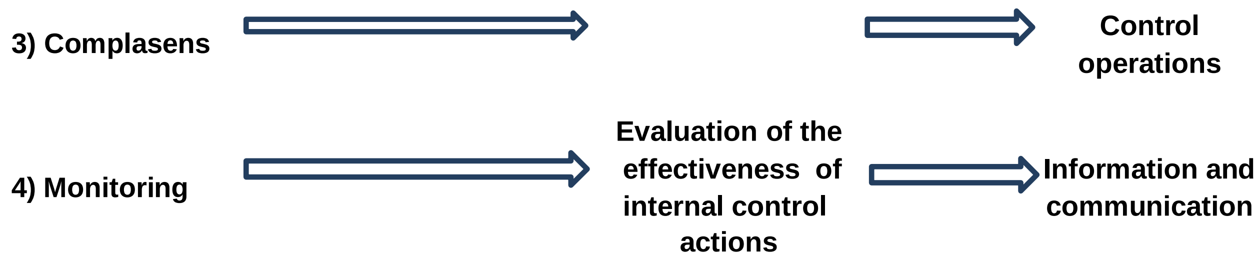


Figure 1. Compliance of SOSO elements with internal audit objectives

Based on the formation of the above main goals, it can be said that internal control is a process carried out daily, and internal audit is carried out periodically in the form of independent checks. Also, internal control activities are aimed at ensuring the effective functioning of the organization, and internal audit provides tips and recommendations for the implementation of this process. Therefore, internal audit is carried out by a separate service or with the involvement of external specialists, and internal control is carried out by representatives of different levels of the hierarchy in the organization: the governing bodies, the chief accountant, the Audit Commission and other employees.

Regarding international practice, when comparing two activities, it is necessary to consider the standards of internal control (ISSAI), which are intended for the public sector and are used in 191 countries, including practice. ISSAI 9140, in accordance with the "independence of internal audit in the public sector" standard, states that "the internal auditor does not replace a reliable internal control system" [15]. Thus, the role of internal auditing is to provide advice and develop recommendations to address deficiencies in the internal control system.

Continuing the topic of the public sector, it should be noted that budgetary institutions are still divided into internal financial control and internal financial audit. The budget Code establishes the task of ensuring compliance with the rules of legal acts for financial control, as well as the terms of state (municipal) contracts, contracts for the allocation of funds from the budget (agreements). At the same time, one of the goals of internal financial audit is to assess the reliability of internal financial control and prepare proposals for the organization of internal financial control.

Both design and operational efficiency must be satisfactory in order to assess the internal control system as effective. This is due to the fact that the error-free operation of one aspect does not compensate for the shortcomings of another: for example, if the existing control over the reliability of the purchase of raw materials reflected in accounting is designed in such a way that it is not possible to identify violations (for example, comparing the amount of operations on the Similarly, if the instrument for controlling the reliability of the reflection of the operas is correctly designed (comparing the amount of transfers to the corresponding invoice), but in practice is applied inconsistently, it is impossible to decide on the effectiveness of internal control.

CONCLUSIONS AND RECOMMENDATIONS

Taking into account the recommendations presented by experts, most stages can be concluded in terms of the form, duration and nature of actions as follows:

- The stage of analysis of the completeness of risk coverage with internal control procedures involves the use of judgment in the analysis of the presence of adequate procedures to minimize the risks identified by the organization, including their nature, frequency of implementation, etc.:
- When analyzing the intelligibility of the description of internal control procedures, further actions depend on the Examiner's opinion of how accurately the instructions for the implementation of internal control reflect the goals of a particular procedure;
- When drawing up requests to confirm the internal control design, the examiner determines the list of questions and requested data to obtain evidence regarding the presence, completeness and correctness of the internal control description;
- The development of a test plan involves determining the combination of different methods of assessing the operational efficiency of internal control: sending requests, checking the evidence of the implementation of control, monitoring the order of control, repeated conduct. The judgment also applies to the size of the test, for example, the number of positions for the test, the period during which the operationality efficiency of the control is checked;
- The final stage of assessing internal control involves analyzing the causes and nature of shortcomings in internal control, determining the need to carry out additional verification procedures, analyzing the possible consequences of identified shortcomings, and drawing up a plan of measures to eliminate shortcomings.

Due to the presence of an element of judgment in the above actions, the internal control assessment proceedings are characterized by variability and require the examiner to have sufficient qualifications and the authority to carry out the planned activities in order to make reasonable decisions.

Various approaches to the implementation of the assessment also indicate the need to determine the criteria that predetermine the further actions of the organization during the assessment. As for judgments such as checking the adequacy of risk coverage with internal control procedures, analyzing the intelligibility of the description of procedures, the factors that the organization can serve as a guide to determine further actions for assessing int have not been identified. In this regard, the issue of assessment remains undeveloped for many organizations.

As for internal auditing, the Basic Rules for its assessment are enshrined in the international professional standards of internal auditing [16] and the international standard of 610 "the use of the work of internal auditors" [17]. In accordance with Professional standards, internal audit assessment is carried out within the framework of the program for ensuring and improving the quality of internal audit and includes internal and external assessment. The purpose of these assessments is to verify the compliance of the activities of the implementation of internal auditing with the code of ethics and international professional standards of internal auditing. Internal assessment is carried out by internal auditors in the form of current monitoring and periodic self-assessment or assessment by other employees of the organization. External evaluations provide for the involvement of an independent third-party evaluator at least once every five years, who has the appropriate powers in matters of organizing an internal audit and conducting inspections.

At the same time, the implementation of internal audit assessment in the context of international professional standards of internal audit [16] includes only analysis of compliance with current regulatory documents and does not reveal detailed instructions for assessing the "usefulness" of the Internal audit

Service, that is, the impact of internal audit activities on the functioning of corporate management, risk management and internal control systems.

The implementation of the assessment by an external independent person is not a necessary condition for the organization's activities, and in the general case, the formation of an opinion on the effectiveness of internal control and internal audit systems is entrusted to the management of the organization. The exception is to attract external assessors or conduct an external audit, in which the external auditor must be sufficiently confident that the financial report does not contain serious violations caused by errors or unfair behavior, as well as that the internal control system over the preparation of financial statements is effective. However, in this case there are restrictions related to the use of the internal control efficiency report:

- The external evaluator or auditor has limited use and knowledge of the organization's business, so some factors can be skipped when evaluating internal control;
- When conducting an external audit, the auditor considers only the part of internal control that is directly related to the preparation of financial statements, accordingly, the opinion is formed only in relation to the elements of internal control, which are associated with serious violations in the financial report.
- In this regard, due to the lack of legal requirements for assessing their effectiveness, there is limited practice in assessing internal control and internal audit.

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