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Phone No. 0751-2230233,9425121133

# C O N T E N T S

*Publisher/Printer/Owner/Editor-in-Chief :*
***Dr. Prabhakar Singh Bhadouria,***

**Gwalior Management Academy**
Regd. Office: C-17 Kailash Nagar Near New High Court Gwalior M.P. INDIA-474006,
e-mail : jmveindia@yahoo.com, www.jmveindia.com

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# *Message*

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

***Dr. P. S. Bhadouria***

# FOREIGN EXPERIENCE OF INSURANCE IN THE REAL ESTATE MARKET

**Majidov A.A**[1]

***ABSTRACT***

*Currently, the issues of introduction in to Uzbekistan with the study of foreign experiences in any field are being seen, at the same time foreign experiences, achievements and short comings in the real estate insurance system are being analyzed, this article alsocovers the cases of insurance in the real estate market and data onforeign real estate insurance.*

***Keywords:*** *Real Estate, Real Estate Object, Insurance, Property Insurance, Insurance Premium.*

**Аннотация:** В настоящее время изучается зарубежный опыт в любой сфере и рассматриваются вопросы его внедрения в Узбекистане, анализируется зарубежный опыт, достижения и недостатки в системе страхования недвижимости, в данной статье также освещаются страховые случаи на рынке недвижимости и информация по страхованию зарубежной недвижимости.

**Ключевые слова:**Недвижимость, объект недвижимости, страхование, имущественное страхование, страховая премия.

**Enter.**

Within the scope of comprehensive reforms implemented in our country, great attention is being paid to the development of the real estate market. After all, this market is an important component of the national economy and is directly related to the life of all layers of the population. Also, real estate is the basis for the development of enterprises and organizations of various forms of ownership, as well as for conducting economic activities. The development of any country is in extricably linked with the level of development of the real estate market. Therefore, in ourcountry, great attention is being paid to the creation and improvement of the legal basis of real estate relations and the formation of a developed real estate market.

As a result, provision of high-quality services related toevaluation activity in the conclusion of transactions related to real estate and rights to it, especially in determining the market value of the property of legal entities and individuals for the purpose of insurance, is consideredone of the urgent issues today. This makes it necessary to further develop relations with property valuation in our country, to organize a fair and high-quality valuation of property value, to further improve the environment of free and open competition in the market among valuation organizations, and to further increase the qualifications and experience of experts in this field.

It is these most important tasks that should be the foundation for making serious changes to the main directions and priorities of deepening economicreforms[2].

In this regard, one can cite as an example Decision PQ-3764 "On measures to further develop the market of evaluation services" signed by the President of the Republic of Uzbekistan Sh.M. Mirziyoyevon

[1] Doctoral student of the scientific research center, "Scientific foundations and problems of the development of the economy of Uzbekistan" under the Tashkent State University of Economics

[2] MirziyoevSh.M. Critical analysis, strict discipline and personalresponsibilityshould be the daily rules of every leader's activity. // www.uza.uz. 16.01.2018.

June 1, 2018[1]. In this decision, a strong legal framework was formed to regulate evaluation activities in the republic, large-scale work was done to develop the evaluation services market, to increase responsibility for the results and impartiality of evaluationwork, and today there are about a thousand evaluators with qualification certificates working in the evaluation services market. it is mentioned that there are more than two hundred evaluation organizations.

Based on the program of rapid development of the national economy and ensuring high growth rates of the New Development Strategy of Uzbekistan for 2022-2026 set by the President of our country Sh. Mirziyoyev and in the way of ensuring its implementation, all areas such as property value, including the necessity and urgency of improving research onimproving the quality of real estate market value assessment in the insurance process.

**Literature review.**

The scientific-methodological foundations of the subject and practical issues of real estate from foreign economists-scientists Vítor M. dos Santos Reis in his scientific article on "Portuguese practice of real estate valuation" some of the traditional methods of real estate valuation which expressed the short comings, that is, according to his opinion, determining the base price is a somewhat difficult situation. Lay Cheng Jasmine Lim, Neil Crosby, Craig Watkins, Koshkina V.I. In their research on foreign experience of real estate valuation, researchers such as Vassilis Assimakopoulos suggests that real estate evaluation should be carried out based on its purpose. Alternatively, it divides assessment in to traditional and advanced methods. If the traditional method recommends estimation using regression models, the advanced model itself consists of a series ofmodels.

**Research methodology.**

In the course of the research, he used the scientific works of a number of national and foreign experts on the assessment of real estate for insurance practice. Foreign and national experiences in this field were studied and compared. A number of systematic, analytical and statistical analysis methods were used in the research process.

**Analysis and results.**

The insurance system is considere done of the important links of the state economy and serves tocover the damage caused by almost all risks and possible losses. Real estate insurance, in turn, has become important and is used tocover damage to real estate. The main issue here is the pre-insurance assessment, which is based on a number of stages and approaches. Property insurance, i.e. property insurance, provides protection of the interests of any type of owner (citizens, enterprises, the state) against the risk of lossor damage toproperty. In accordance with the Civil Code of the Republic of Uzbekistan, property insurance includes liability for obligations arising from damage to the life, health orproperty of other persons, as well as the risk ofnot receiving the expected incomefrom business activities.

Property insurance is the process of drawing up and executing insurance contracts, according to which the insurer pays the insured in the event of an insured event provided for in the contract in exchange for the fee stipulated in the contract (insurance premium). or undertakes to pay to the person in whosefavor the

[1]Decision PQ-3764 of the President of the Republic of Uzbekistan of June 1, 2018 "On measures to further develop the market ofevaluation services". www.lex.uz

contract was concluded the damage caused to the insured property or the damage related to other property interests of the insured.

The purpose of property insurance is to pay compensation for damage. The principle of compensation for damages is that after the occurrence of the insured event, the insured must be returned to the same financial condition as it was before the occurrence of this event. In this regard, the problem of assessing the insured property and determining its insurance value arises (Fig. 1).

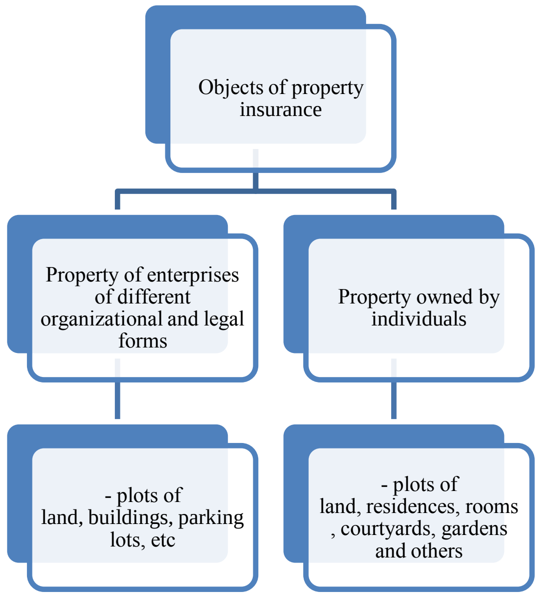


**Figure 1. Objectsofproperty insurance**[1]

In world practice, two systems of insurance liability or damage determination depending on the sum insured are used, the first of which is proportional (proportional) insurance, and the second is the first risk system. If in the contract the insurance amount is set lower than the property's insurance value, in the proportional insurance system, in the case of partial damage to the property, the amount of compensation is determined by the proportion of the actual damage amount, and in this case, the insurance amount is equal to the insurance amount. It is derived from the ratio of proportionalIty to the value of the property. The liability for the part of the loss proportional to the uninsured part remains with the insured.

In foreign experience, the limited liability system is used in the insurance against the risk of not receiving income, which is an organizational system of insurance provision, in which the amount of compensation for damage is the income achieved by the liability of the insurer according to the pre-agreed limit (sum insured). is determined based on the difference between the levels. If, due to an insured event, the insured's income turns out to belower than the one stipulated in the insurance contract, then it is necessary to pay the difference between the limit and the actual income.

In the world insurance experience, the following methods of damage compensation are used: payment, repair and restoration, replacement. These are also specified in the Insurance Law of Uzbekistan.

[1] ВасинП.Н.Оценка имуществадляцелейстрахования.Учебноепособие.Новосибирск.2009.с.-29.

Currently, forourcountry, the study and application of the advanced experience of the developed countries of the world allows us toavoid mistakes and short comings in this field, and to use cost-effective methods instead of the effects of market mechanisms.

In economically developed countries, real estate insurance is mainly divided into fire insurance and all-risk insurance. Therefore, there are differences in this type of insurance.

Mostof the researches currently being conducted in foreign countries are based on regression models. In the regression analysis, natural disasters were also used as a variable in determining the price.Basically, the probability of flooding is determined based on the location of the real estate, i.e. it is determined by 1 in 4 based on when floods occurred in the area in the past. 4 is the most at-risk area (flooding in the last 5 years), 3 means the last flood occurred in the last 20 years, and 2 means the last flood occurred in the last 100 years. indicates that the area is almost free of this hazard[1].

In the insurance market of foreign countries, insurance premiums collectedfrom real estate insurance occupy a significant place, and real estate insurance is one of its most profitable types.

Studying the experiences of the insurance market of developed countries will give good results forour republic, which is forming the national insurance market. Due to the fact that market relations are mainly derived from private ownershipr elations, and due to the development of mutual economic relations with state property, ownership and property interests increase the need for the services ofpropertyowners. Property insurance is one of the mostimportant branches of insurance in developed countries.

**Conclusions and suggestions.**

In accordance with the research in the article, conclusions and proposals based on the following scientific results were developed:

1. Appraisers in foreign countries are subject to the following requirements: special knowledge (constant work on improving their knowledge and the formation of market information. (economics, law, banking and accounting work, construction, land structure, etc.) it is necessary to have extensive knowledge. The requirements for the education of people who occupy the profession of appraiser are different in different countries. "information is not required, and in other countries, the opposite may be the case. In our country, the above-mentioned foreign experience can be used in developing the qualification requirements forevaluators.
2. When we studied the foreign experience, we came to the conclusion that the use of natural disasters as a factor in the evaluation process of real estate leads to an increase in the insurance premium, but later on, it is difficult to compensate the insured for the losses caused by natural disasters. willcome. For this reason, this practice can be carried out based on the year of the last natural disaster.
3. **One of the most complex issues is the reliability of information. This is due to the fact that the information on the offered and sold price of real estate in the market is actually different. For this, it is necessary to revise the system of determining the reliability ofinformation.**

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[1] MartinCupal,Floodriskasaprice-settingfactorinthemarketvalueofrealproperty,ProcediaEconomicsandFinance23(2015 )658–664,www.sciencedirect.com.page660.

4. **Implementation of the above-mentioned scientific proposals and practical recommendations will serve to improve the mechanism of real estate insurance in Uzbekistan.**

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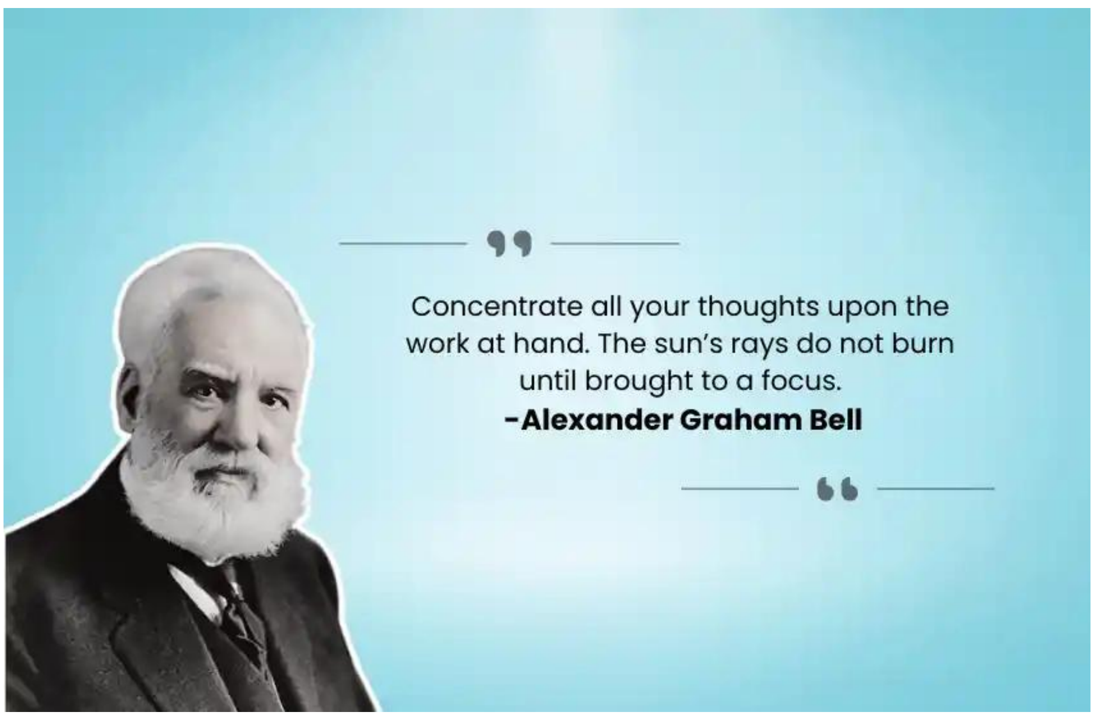

# FOREIGN EXPERIENCE IN CUSTOMS MANAGEMENT IN THE CONDITION OF IMPROVING CUSTOMS ADMINSTRATION

**Mirzaxmedova Dilafruz Farxatovna[1], Tukhtabaev Jamshid Sharafetdinovich[2]**

***ABSTRACT***

*This article extensively studies the foreign experience in managing customs operations in the context of improving customs administration. It presents the experiences of customs reforms in the United States, Canada, the European Union, and the countries of the Commonwealth of Independent States. The article develops scientific and practical proposals and recommendations on how to transform the customs service of Uzbekistan into the most innovative and intellectual service provider in the region by continuously studying international practices and implementing advanced innovations and technological achievements to improve the quality of services provided by the national customs service.*

***Keywords:*** *Customs Administration, Customs Management, Customs Reforms, Digital Customs, Quality of Customs Services.*

## INTRODUCTION.

When looking at international experience, we can see that improper organization of customs management in customs authorities not only leads to a decrease in the ability to perform the tasks set for these structures, resulting in negative consequences such as the increased flow of prohibited goods, weapons, and narcotics into the country, but it can also contribute to the rise of corruption within the customs authorities. If meritocracy is not followed during the appointment of management personnel responsible for customs management, meaning if management positions are not filled based on merit, regardless of social background, unqualified individuals may be appointed to high positions. This can lead to ineffective management of customs administration, causing a sharp decline in the organization's efficiency.

In this place, it seems appropriate to categorize the customs services of foreign countries based on their role in governance to analyze the state of customs management. Specifically:

- In Western countries like the United States, Canada, and the European Union, customs services are considered public institutions serving the private sector, so their customs management system is relatively well-developed and fundamentally different from other countries;
- In the countries of the Commonwealth of Independent States (CIS), customs services serve as law enforcement agencies, so we can observe numerous distinct aspects in both their operational procedures and management processes.

Specifically, in the customs services of the 28 European countries that share a unified customs territory, special attention is given to appointing qualified personnel to manage customs operations for business representatives. Within the framework of the current "European Union Customs 2040"[1] project, there is a strong emphasis on the importance of preparing leaders capable of managing processes related to the

[1] Independent researcher, Kimyo International University in Tashkent

[2] Professor of the Academy of Banking and Finance of the Republic of Uzbekistan

activities of customs authorities, starting from the bachelor's level of education. In particular, starting from 2024, the Republic of Lithuania has introduced an MBA program titled "Customs Process Management" [2], which allows students to enroll and study in this field.

## MATERIALS AND METHODS.

The primary goal of the above project for European countries is to further improve the provision of efficient customs services for business representatives, which entails a radical transformation of the customs procedures that have been in place in the Union since 1968. The project aims to eliminate existing problematic situations in the goods import process through full digitization of customs service processes. The new European Union customs management system will need to be governed by the EU Customs Data Center, which serves as its main engine. This will lead to significant savings, amounting to over 2 billion euros annually, in the EU's customs procedures.

For instance, to assess the practice of customs management in the European Union, we can look at **Finland**'s experience. In this country, the customs service is part of the Ministry of Finance. The main tasks of the service include regulating foreign trade both domestically and internationally, ensuring tax collection, and implementing customs policy.

High-level problems related to customs services are addressed by the Finnish government, while the internal management of the system is overseen by the leadership staff of the customs authority. Therefore, all tasks related to the customs authority's operations are carried out by personnel who undergo professional training and education. Staff training and retraining are conducted at the Customs School, located in Helsinki [3]. The training system includes foundational skills in customs management, and this country's experience places it alongside models of customs management from Singapore, Sweden, and the United States [4].

Additionally, several developed European countries have introduced a number of initiatives aimed at improving customs management:

- In the **United Kingdom**, the focus is on improving customs control, simplifying the business process for traders, and streamlining the working conditions for customs officers through the implementation of technological innovations.

Specifically, the Royal Service has introduced the PaceSetter system [5], which aims to simplify and increase the efficiency of business process monitoring, reduce costs, and increase revenue for the state budget. Technological innovations enable greater transparency in customs management, quicker processing of information with the help of information technology, and enhanced accountability.This system is also widely used in the personnel selection process, leading to advanced results in the United Kingdom's human resource management activities.

- In **Italy,** one of the key methods implemented to improve customs management is the introduction of anti-corruption programs [6].In this case, risk management processes related to governance have been automated. The electronic declaration system implemented allows for the automatic calculation of payments to be made to the state budget based on goods and transport documents, eliminating human factors and reducing corruption risks in these processes.

- **Germany**'s customs service operates the ATLAS (Automated Tariff and Local Customs Clearance System) platform, which facilitates online cooperation with relevant government agencies [7].ATLAS aims to automate customs procedures, enabling a unified system for handling customs data. This system allows declarants to submit requests for customs clearance at any stage of the goods process.

**RESULTS AND DISCUSSION.**

Moreover, in this country, the process of managing personnel involves extensive use of support and motivation strategies.

The customs management practices in the United States, recognized by the World Customs Organization as among the most developed, can be considered exemplary [8].

The United States established its customs districts on July 31, 1789, originally tasked with collecting duties on goods moving across the nation's borders.By 1973, the US Customs Service was reorganized into the US Customs Service under the Department of the Treasury [9].

After this restructuring, the main responsibilities of the U.S. Customs Service were defined as follows:

- Determining the amounts of duties and fees to be collected according to legislation;
- Establishing customs control over imports and exports;
- Implementing border customs control;
- Establishing control over vehicles carrying goods;
- Monitoring passengers.

Additionally, customs authorities are divided into central and regional branches. The central management (headquarters) includes departments dealing with international relations, commercial operations, monitoring and inspections, service audits, and legal and chief inspection services. The regional branch structure consists of 7 regions, 45 districts, and more than 300 ports.

After the events of September 11, 2001, the necessity for further improving customs services led to the reorganization of the U.S. Customs Service, which was merged with other departments such as the Department of Agriculture to form the U.S. Customs and Border Protection (CBP) under the Department of Homeland Security. Since then, the main responsibilities of U.S. customs authorities have included combating terrorism, preventing the entry of terrorist weapons, facilitating and managing international trade, collecting customs duties, and protecting trade rights and economic interests. Currently, the CBP employs 56,000 personnel, including 20,000 staff who monitor passengers at over 300 ports, and 19,000 staff who perform patrol duties along the border with Canada and Mexico. Additionally, 2,200 experts focus on preventing harmful substances and diseases from entering the U.S. economy [10].

The following can be cited as the main achievements of the US customs services:

- As a result of reforms, organizational structures were reorganized, and the number of management personnel was reduced;
- The legislative framework was adapted and reintroduced with greater flexibility;
- Modern management principles, similar to those in business processes, were incorporated into customs services;
- The relationship between customs authorities and entrepreneurs was reassessed;

- An expert group consisting of representatives from the business environment, who participate in the legislative adoption process, was formed;
- Cooperation in the fight against drug trafficking was established with importers, exporters, airlines, and carriers;
- The criteria for evaluating the effectiveness of customs authorities' operations were reconsidered [11].

Additionally, it is useful to study the activities of the customs services of Singapore and New Zealand, which are recognized as having corruption-free customs services among developed countries. In particular, the customs services of Singapore and New Zealand consistently ranked 1st and 2nd, respectively, in the Doing Business rankings until 2020, and are now inactive in that ranking [12]. Specifically, the 2018 indicators for Singapore were as follows according to the "Trading Across Borders" assessment:

**Table 1 Indicators of the Republic of Singapore in 2018 year[13]**

| **Name of indicators** | **quantity** |
|---|---|
| **The amount of time spent on the export of goods** | |
| Registration of documents, hours | **2** |
| Time spent on border and customs control, hours | **10** |
| **Value of export of goods** | |
| Registration of documents, in US dollars | **37** |
| Spending on border and customs control, in US dollars | **335** |
| **Amount of time spent importing goods** | |
| Registration of documents, hours | **3** |
| Time spent on border and customs control, hours | **33** |
| **The cost of importing goods** | |
| Registration of documents, in US dollars | **40** |
| Spending on border and customs control, in US dollars | **220** |

Singapore Customs is a service under the Ministry of Finance of the country, with its primary responsibilities being the collection of customs duties, preventing duty evasion, and continuously simplifying trade regulations.Unlike other countries, customs authorities in Singapore also function as organizations that issue conclusions, licenses, and certificates of origin for goods based on the Harmonized System (HS) classification.

During reforms aimed at improving the service system through digitization, the procedures for employees' interactions and service delivery were also simplified. Initially, the customs service, as an organizational structure supporting business operations, was transformed into a government service business structure based on the recommendations of the World Customs Organization [14].

Currently, the world's first nationwide electronic document exchange system, known as "TradeNET," and its updated form, "TradeXchange," are key elements of Singapore Customs' goal to establish a unified electronic system for executing import-export operations. The national customs system's electronic document circulation system is an example that should be studied when improving national customs systems.

Turkey's customs services, given its geographical location and the volume of trade relations with neighboring countries, play a significant role not only in economic security but also in national security. In 2021, Turkey processed 5,167,000 customs declarations for goods exports alone, with 8.1 million motor vehicles and 62 million passengers passing through customs controls.

Turkey's Customs Service continuously conducts reforms to implement infrastructure and technical capabilities aimed at providing high-quality services amid the growing volume of motor vehicles and passengers. In particular, to prevent the flow of illegal goods and smuggling, customs authorities, in collaboration with Turkey's Scientific and Technical Research Council (TÜBİTAK), are implementing the National Scanning System (MİLTAR) project [15].

Russia's Federal Customs Service (FCS) provides a relevant example for structuring customs management in Uzbekistan. Like Uzbekistan, the primary task of Russia's customs services involves fiscal activities, such as collecting customs duties and fees for goods and transport vehicles crossing customs borders, which contribute to the state budget. In terms of procedures and functions, the responsibilities of Russia's customs services overlap significantly with those of Uzbekistan.

Since 2019, the FCS has launched a remote electronic declaration system, implemented a service system aimed at ensuring economic security, and established a specialized Customs Academy for staff training and retraining. This provides valuable insights and data for improving the national customs system and customs management.

During Russia's 12-year membership in the World Trade Organization, the country has not only operated as a regulatory body but also assumed a "mediator" role in facilitating cooperation among business entities. In the modern context, Russia's customs services focus primarily on establishing high-quality and efficient management operations. As a result, several measures have been implemented regarding the regulation of customs definitions, simplifying and accelerating customs procedures, and carrying out customs control and formalization processes through innovative information and communication technologies.

One of the key achievements of the Federal Customs Service is the management of human resources. Specifically, within the system of personnel development and management, a series of reforms have been implemented based on tasks such as planning, organizing, and supporting. These reforms take into account essential aspects such as the object, subject, goals, and tasks of personnel management [16]. Moreover, the management system of the customs service has been expanded to include not only customs posts and departments but also organizations that provide services related to customs, even if their activities are not directly involved in law enforcement.

**CONCLUSIONS AND SUGGESTIONS.**

The effectiveness of customs services is closely linked to the continuous reforms aimed at their improvement. By consistently studying international best practices and implementing advanced innovations and technological achievements, it is possible to transform the customs service of Uzbekistan into the most innovative and intellectual service structure in the region.

Based on the experience of the above-mentioned countries, it is suggested to implement the following:

- Introduce an MBA program on "Customs Process Management" at the Customs Institute, based on the experience of the Republic of Lithuania for the training of management personnel;
- Improve the personnel training system by incorporating management principles, as practiced in Finland;
- Develop existing information systems based on the Italian experience, enhancing them to the point where they can process data and make decisions without human intervention;
- Introduce modern management principles into customs services based on the U.S. experience in business process management;
- Continuously study the practices of the Republic of Turkey’s customs services in managing counter-smuggling and criminal activities and establish measures to ensure the continuous operation of scanning devices;
- Based on the experiences of the Federal Customs Service in supporting entrepreneurs, it is advisable to introduce customs officer-manager and customs officer-service profiles.

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# PROBLEMS AND TRAINING OF PROSPECTIVE PERSONNEL. ANALYSIS OF THE FORMATION OF PERSONNEL RESERVES IN COMMERCIAL BANKS

**Nurimova Nilufar Jurayevna**[1]

***ABSTRACT***

*Professionalism - creating the necessary conditions for regular training of bank employees, taking care of their social protection and motivation, forming a team of professionals - is the main task in the process of globalization.**Transformation**-is change, but what kind of change? Primarily, it's a change in heart and mind. It's the ability to step out of one's comfort zone.*

***Keywords:*** *Staff Policy, Personnel Reserve, Candidate Staff, Selection.*

It is well known that in recent years, within the framework of large-scale institutional reforms being carried out in our country, measures are being taken to ensure the stability of the banking and financial sector, its integration into the global financial system, and to improve the quality of commercial bank services and their accessibility, primarily for private businesses and the population.

In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-5296 dated January 9, 2018, "On measures for the radical improvement of the activities of the Central Bank of the Republic of Uzbekistan," the Central Bank is tasked with the gradual implementation of a modern staff management system that ensures the rational selection, placement, and rotation of employees, the qualitative formation of a personnel reserve, as well as the increase of labor productivity and motivation of employees.

To ensure the implementation of this Decree, the Central Bank of the Republic of Uzbekistan developed a Staff Management Policy for 2019-2021. The main goal of this Policy is to form a highly qualified personnel potential that ensures the achievement of the Central Bank's strategic objectives.

In particular, consistent efforts are being made to transform commercial banks with state participation by introducing modern corporate governance principles and information and communication technologies, and by improving their operational efficiency and investment attractiveness. Additionally, according to Resolution No. 523 of the Cabinet of Ministers of the Republic of Uzbekistan dated June 25, 2019, measures have been adopted to transform the joint-stock commercial mortgage bank "Ipoteka-bank" and subsequently privatize it with the participation of the International Finance Corporation.

In commercial banks, the process of establishing and maintaining a personnel reserve is vital for ensuring a steady supply of qualified and competent employees who can fill key positions as needed. Here's an overview of the key elements involved in this process:

1. **Talent Identification:** Banks utilize a range of methods to identify potential candidates for their personnel reserve. This includes performance reviews, skills assessments, and feedback from supervisors.

[1] Independent Reasercher, Institute for the Study of Young

2. **Training Programs:** Once potential candidates are identified, they undergo extensive training and development programs. These programs are tailored to enhance their skills, knowledge, and leadership capabilities.
3. **Mentorship and Coaching:** Experienced employees or leaders within the bank often provide mentorship and coaching to those in the personnel reserve. This helps in transferring knowledge and preparing them for higher responsibilities.
4. **Succession Planning:** Banks create succession plans to ensure there are ready candidates to step into critical roles when they become vacant. This involves mapping out career paths and providing the necessary development opportunities.
5. **Performance Evaluation:** Regular performance evaluations are conducted to monitor the progress and development of employees in the personnel reserve. This helps in identifying any gaps and addressing them promptly.
6. **Retention Strategies:** To retain the best talent, banks offer competitive compensation packages, career development opportunities, and a positive work environment.

By implementing these strategies, commercial banks can effectively manage their personnel reserves, ensuring they have a pool of well-prepared and capable employees ready to take on new challenges and responsibilities. This ultimately contributes to the bank's stability and growth in the competitive financial market.

The main tasks of the staff management policy consist of creating the following effective systems:

- Selection of employees and their adaptation to the work process;
- Assessment and effective motivation of employees;
- Development of employees;
- Talent management and formation of a personnel reserve;
- Development of corporate values.
- The procedure for selecting candidates for available vacancies on a competitive basis
- The selection of candidates for available vacancies at the Central Bank is carried out in accordance with the Regulation "On the procedure for selecting candidates for available vacancies at the Central Bank of the Republic of Uzbekistan on a competitive basis," approved by the decision of the Board of the Central Bank of the Republic of Uzbekistan No. 16/7 dated July 18, 2019. This Regulation introduced a system for the Central Bank of the Republic of Uzbekistan to select highly qualified employees on a competitive basis under the principles of transparency and openness. The main goal of the competition is to ensure the successful achievement of the Central Bank's strategic objectives by recruiting highly qualified employees.

The selection process is carried out in the following stages:

- Analysis of candidates' resumes;
- Testing (professional knowledge, logical reasoning, knowledge of banking legislation, and foreign languages);

- Interview on the candidate's alignment with the Central Bank's values;
- Interview on the candidate's professional and leadership competencies.

Candidates who successfully pass the above stages will be invited to work at the Central Bank of the Republic of Uzbekistan.

**Staff Training and Development Policy**

The Central Bank of the Republic of Uzbekistan has established a continuous system for the training, retraining, and professional development of its employees. This system includes seminars, training courses, workshops, international conferences, internships, and foreign business trips organized by international organizations, financial institutions, foreign banks, and other entities.

For the employees of the Central Bank, there are opportunities to pursue master's programs on a competitive basis, with grants provided by the International Monetary Fund (IMF), Japan International Cooperation Agency (JICA), Korea International Cooperation Agency (KOICA), the National Graduate Institute for Policy Studies (GRIPS) in Japan, University of Tsukuba and Hitotsubashi University in Japan, the Japanese Development Scholarship (JDS) program, and other grants from Japanese international universities.

The mission of "Ipoteka Bank" OTP Group is to create the highest level of economic value for its shareholders and bank clients. High-quality customer service and leadership in selected markets are of paramount importance for the bank's future success. The bank's corporate values—team spirit, innovative thinking, positive attitude, and excellent quality—play a crucial role in fulfilling the bank's mission.

In providing services to its customers, "Ipoteka Bank" is committed to adhering to high standards of professionalism, employing innovations, being open to new ideas, leveraging feedback, and carrying out consistent and rigorous activities.

"Ipoteka Bank" OTP Group is one of the leading banks in Uzbekistan that is among the first to undergo transformation in cooperation with the International Finance Corporation (IFC). The bank stands on the brink of becoming a top-tier financial institution operating on international standards in the near future.

At the bank, opportunities are created for all employees, regardless of gender, nationality, or language, to grow and develop as top-notch professionals in their field, to confidently strive towards their goals, and to become an integral part of the large and cohesive team known as "Ipoteka Bank."

Today, the bank's staff management system is being fundamentally reviewed, transitioning from the old "personnel management" format to the new "human resources" format. This shift emphasizes not just formalizing documents but also focuses on the selection, hiring, ongoing development of employees, material and non-material incentives, retention of qualified specialists, and providing psychological support to employees. This approach is based on priority concepts aimed at developing a modern human resources policy.

In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-5296 dated January 9, 2018, "On measures for the radical improvement of the activities of the Central Bank of the Republic of Uzbekistan," the Central Bank is tasked with the gradual implementation of a modern staff management system that ensures the rational selection, placement, and rotation of employees, the qualitative formation of a personnel reserve, as well as the increase of labor productivity and motivation of employees.

To ensure the implementation of this Decree, "Ipoteka Bank" OTP Group has developed a staff management policy. The main goal of this policy is to form a highly qualified personnel potential that ensures the achievement of the bank's strategic objectives.

Reflecting on the experience of "Ipoteka Bank" OTP Group, the main tasks of the staff management policy have been identified as follows:

- Selection of employees and their adaptation to the work process;
- Assessment and effective incentivization of employees;
- Development of professional skills of employees;
- Selection of talented personnel and formation of a personnel reserve;
- Development of corporate values.

The selection of candidates for available vacancies at the bank is carried out in accordance with the Regulation "On the procedure for selecting candidates for available vacancies at the Central Bank of the Republic of Uzbekistan on a competitive basis," approved by the decision of the Board of the Central Bank of the Republic of Uzbekistan No. 16/7 dated July 18, 2019. This Regulation introduced a system for the Central Bank of the Republic of Uzbekistan to select highly qualified employees on a competitive basis under the principles of transparency and openness. The main goal of the competition is to ensure the successful achievement of the Central Bank's strategic objectives by recruiting highly qualified employees.

The selection process is carried out in the following stages:

- Analysis of candidates' resumes;
- Testing of professional knowledge and logical reasoning, as well as determining the level of knowledge of banking legislation and foreign languages;
- Interview to assess the candidate's alignment with the Central Bank's values;
- Interview to evaluate the candidate's professional and leadership competencies.

Candidates who successfully pass the above stages will be invited to work at the bank.

The bank has established a continuous system for the training, retraining, and professional development of its employees. This system includes seminars, training courses, workshops, international conferences, internships, and foreign business trips organized by international organizations, financial institutions, foreign banks, and other entities.

For its employees, there are opportunities to pursue master's programs on a competitive basis with grants provided by the International Monetary Fund (IMF), Japan International Cooperation Agency (JICA), Korea International Cooperation Agency (KOICA), the National Graduate Institute for Policy Studies (GRIPS) in Japan, University of Tsukuba and Hitotsubashi University in Japan, the Japanese Development Scholarship (JDS) program, and other grants from Japanese international universities.

Additionally, through material and non-material incentives, the training and development system for employees, the bank is undertaking numerous efforts to strengthen its image as an employer. This approach to staff management undoubtedly yields the expected results, as employees are the main strength and value of the bank. By staying true to our values such as leadership, the desire for victory, making the right choices, supporting innovation and initiative, the "Ipoteka Bank" team serves its shareholders, customers, and partners.

One of the key factors for the bank's sustainable development and competitiveness is its human resources, particularly the professional knowledge and skills of its employees. Training is one of the most effective methods of staff preparation. "Ipoteka Bank" has an internal team of trainers, which has become a unique evolution of the bank's corporate education system. These trainers are specialists with sufficient knowledge and extensive experience in the banking sector.

Employees of bank branches actively participate in relevant training and seminars organized with the support of the Personnel Training and Development Department, enhancing their knowledge. In addition, training helps employees to communicate in an informal environment, which significantly improves the climate within the team.

By investing in the training, professional development, and motivation of its employees, and striving for their professional and personal growth, the bank has been able to form a team of leaders. The bank's management has created a creative environment conducive to working on projects and engaging each employee in the creative process. Team-building events organized for managers and department heads help them acquire new knowledge and improve their management skills and competencies.

The main tasks in the field of quality for "Ipoteka Bank" are to ensure competitiveness, diversity, and a high level of banking services that enable the improvement of the bank's financial stability and reliability. To enhance the quality of operations in order to meet customer demands, the bank focuses on the following priority directions:

- Creating and continuously improving a quality management system that meets the requirements of ISO 9001:2015;
- Enhancing organizational and technological processes that impact the quality of banking services;
- Ensuring a high level of professionalism among bank employees;
- Eliminating ambiguity in the clear and precise distribution of responsibilities, functional duties, and obligations among all bank employees;
- Creating motivating conditions to improve the quality and efficiency of work, ensure high levels of labor and performance discipline, and involve all bank employees in the creation and development of the quality management system;
- Forming a favorable corporate environment within the bank and building relationships with external stakeholders;
- Efficiency in decision-making processes, flexible interest and tariff policy, and individualized customer service;
- Fully and timely fulfilling obligations to customers and counterparties;

- Introducing new and improved services to adapt to changing customer needs;
- Ensuring a sufficient number of service points to expand the regional presence and customer base of bank services;
- Utilizing modern information banking technologies to perform services and calculations qualitatively;
- Maintaining banking secrecy in customer service, adhering to the principles of transparency and openness in business, ensuring transparency of information for all interested parties, and complying with the requirements of the law, the Central Bank, and other state supervisory and regulatory authorities;
- Strengthening the bank's active position in improving and developing the financial market, as well as maintaining the bank's positive reputation among customers, contractors, and other interested parties.

In implementing the quality policy, the bank is obliged to comply with the requirements of the Quality Management System in accordance with ISO 9001:2015 standards and to continuously improve the system's effectiveness. The bank's management ensures that each employee is informed about the quality policy, provides necessary explanations, and ensures that the policy is implemented by all employees. The responsibility for implementing the quality policy lies with the chairman of the management board of "Ipoteka Bank" OTP Group.

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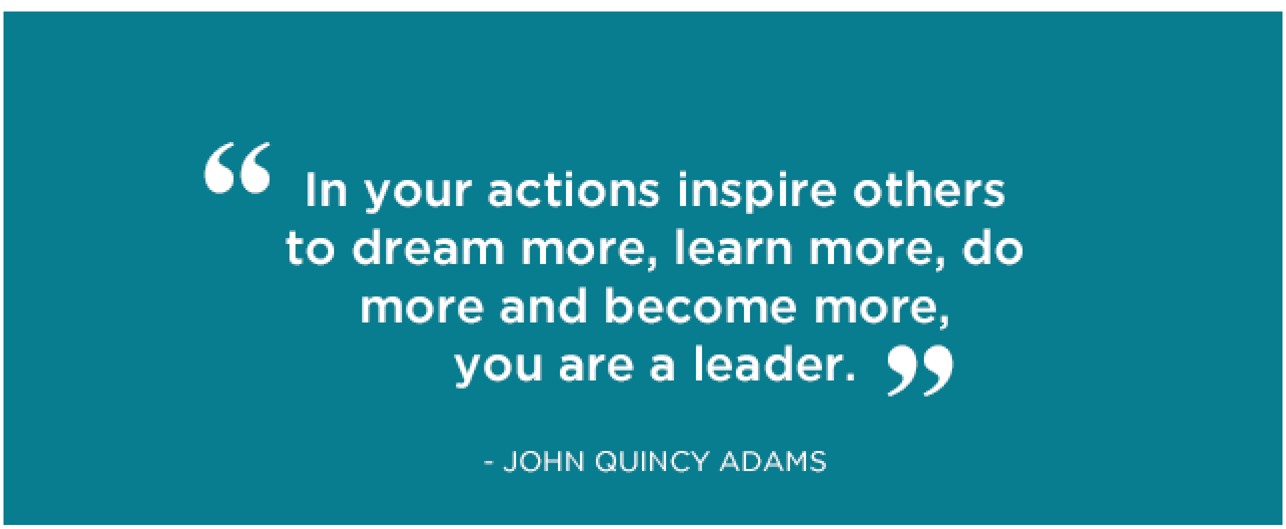

# PROMOTINGFISCAL DISCIPLINE AND BUSINESS ENVIRONMENT THROUGHSUSTAINABILITYRATING

**Abdullayev Zafarbek Safibullayevich[1]**

***ABSTRACT***

*This article analyzes the role of the business entity stability rating system introduced in the Republic of Uzbekistan in strengthening fiscal discipline, improving the business environment, and fostering trust between the public and private sectors. The rating system evaluates entities based on 23 comprehensive indicators, including economic efficiency, financial discipline, fulfillment of tax obligations, social responsibility, and the level of digitalization. The article outlines the incentivizing and penalizing principles of the rating system, its legal framework, and provides a comparative analysis with international practices (S&P, ESG, Doing Business). It is substantiated that the implementation of the stability rating contributes to digital and targeted economic governance in Uzbekistan through tax administration automation, early identification of fiscal risks, and differentiated incentives for compliant business entities.*

***Keywords:*** *Stability Rating, Fiscal Discipline, Economic Efficiency, Business Environment, Financial Stability, Tax Compliance, Rating System, Incentive Mechanism, Digitalization, Uzbekistan Experience, International Experience, S&P, ESG.*

**Introuction**

In the current era, in the modern economy, the State plays an important role in the formation and regulation of the business environment. One of the main mechanics used by the state for this is tax policy. Regulation of entrepreneurial activity through taxes is an effective method of influence of the state on the economy. Through tax rates and benefits, the state can stimulate or restrict entrepreneurial activity. There is the possibility of incentives through tax incentives to attract investments in certain types of activities or specific areas.

The importance of introducing a stability rating is emphasized in the open dialogue of the head of state with entrepreneurs . Its criteria and procedures were developed, and the rating was recognized as an incentive for entrepreneurs. "The entrepreneurial class is becoming a leading force in society, young people are striving towards them. Through this ranking, it is necessary to encourage obedience to laws, disciplined and active among entrepreneurs. The role of the Community Council for entrepreneurship support should be great in introducing this and ensuring its effectiveness” [1].

**Literature review and methodology.**

There are various approaches and conceptual views in the international scientific literature on the formation and assessment of sustainability ratings of business entities. These approaches are directly related to factors such as the theory of economic growth, innovative development, competitive advantage, Public Policy and the quality of the entrepreneurial environment.

[1] Independent Researcher (DSc) at Tashkent State University of Economics

R. Solow (1988) in his work” Growth Theory: an Exposition " distinguishes the sustainability of business entities as part of the main factors affecting economic growth. In his opinion, along with technological advances, institutional and managerial stability also form the foundation of economic growth [2].

W.J. While Baumol (1996) analyzes the role of entrepreneurship in the economic system, he considers the stimulating and regulating policies of the state to be important to create an effective environment. His approach provides a theoretical basis for the formation of rating systems today [3].

J.A. Timmons (1989), on the other hand, characterizes sustainable entrepreneurship as a subject who can quickly adapt to a changing economic and institutional environment, has innovative potential and is able to embrace innovation. The Timmons model emphasizes the need for Integrated risk and stability assessment [4].

Kuckertz & Wagner (2010) offers an assessment of sustainable entrepreneurship criteria through a systematic approach based on the unity of social, environmental and economic indicators. This approach allows for in-depth analysis of cross-criteria correlation in the formation of rating systems [5].

The bibliometric study carried out by Tivonen, Korhonen & Jussila (2019) identifies the evolution, methodological approaches and promising directions of scientific research in the field of sustainable entrepreneurship [6].

S. Shane (2003) in his work” a General Theory of Entrepreneurship " analyzes entrepreneurial activity in the context of decision-making, motivation and resource use. It particularly emphasizes the economic stability of business entities that work effectively in a balanced environment [7].

Z. Acs and D. Audretsch (2005), in his work” Handbook of Entrepreneurship Research: an Interdisciplinary Survey and Introduction", considers innovative entrepreneurship as an economic growth driver with a special focus on the link between small enterprise sustainability and innovative potential [8].

M. Casson (2003) defines an entrepreneur as an information-based decision-making agent, proposing an assessment of information asymmetry and transparency in determining sustainability criteria. This approach provides an important theoretical framework for electronic rating platforms [9].

M. The competitive advantage theory and cluster approach developed by Porter (2008), on the other hand, allow stability to be evaluated from a territorial and sectoral perspective. He argues that sustainability can be increased through the combination of an innovative environment, institutions and Public Policy [10].

OECD (2017) (Organisation for Economic Co-operation and development) reports such as Entrepreneurship at a Glance and Measuring Entrepreneurial Performance have developed a set of statistical approaches, indicators system and indicators to evaluate entrepreneurship. These materials are useful in studying the similarities of the 23 rating criteria introduced in Uzbekistan at the international level [11].

Business entities with a stability rating in Uzbekistan do not have the right to reduce or not pay taxes, but are supported by the state with a number of incentive measures. For Example, Sh.Nurmatov [16] notes in his research that “while entrepreneurs with a high stability rating are not fully exempt from taxes, they will be able to use the financial resources, investment assistance and other preferences allocated by the state.” From this point of view, the rating system serves to increase the transparency and tax discipline of the business environment, along with tax relief.

U.Normurzaev [17] believes in his scientific work that “tax benefits - advantages provided for by tax legislation to certain categories of taxpayers in relation to other taxpayers, including the possibility of non - payment of taxes or paying them in smaller amounts, and that accounting for tax benefits should be carried out by tax authorities using information systems and giving each type of tax

Also, the introduction of the stability rating of business entities in the Republic of Uzbekistan from 2024 is legally enshrined on the basis of the presidential decision (PQ-39, 23.01.2024) and decisions of the Cabinet of Ministers (VMQ-55, 30.01.2024; VMQ-428, 16.07.2024) [12,13,14]. This system is formed on the basis of 23 criteria, and the activities of entrepreneurs are evaluated through an electronic platform.

In this study, the issue of forming a sustainability rating of business entities and assessing its effectiveness was studied on the basis of an integrated approach. The methodology relied on the following main areas:

Rating criterion analysis: the functional load of the 23 rating criteria and the correlation between them were determined and their impact on the stability of business entities was assessed.

Comparative analysis: the experience of Uzbekistan was compared with the international approaches of the OECD (OECD, USA, Germany).

Statistical and practical analysis: empirical analysis was carried out on the cross section of areas and regions based on the results of the rating of 2024.

Assessment on the basis of Information Technology: the principles of the use of electronic platforms, transparency and automation capabilities were considered in the formation of the rating.

This methodological approach serves to ensure the accuracy, objectivity and practical value of the research results.

**Discussion and results.**

In a market economy, the financially and organizationally stable functioning of business entities depends not only on their internal resources, but also on external economic and institutional factors. Therefore, the concept of stability rating is considered in modern economic theory as a system of complex indicators that assess the level of economic security, financial status, fiscal discipline and social responsibility of an enterprise.

Rankings are interpreted in economic theory as a tool that eliminates the problem of information asymmetry in determining resource distribution and preferences. For example, in the “lemon market” theory developed by Akerlof (1970), it was noted that the problem of market confidence leads to misallocation of resources [15]. In this regard, the stability rating serves as a reliable source of information to the state, investors and financial institutions. In theory, rating systems rely on the following basic principles:

1. Transparency and accountability-the activities of the subjects are assessed on the basis of specific criteria;
2. Equality and impartiality – the same criteria are applied to all business entities;
3. Motivation and motivation – benefits are envisaged for highly rated subjects;
4. Information exchange and digitization – a rating system is formed automatically through an electronic platform.

The introduction of sustainability rating, on the one hand, encourages business entities to fulfill their tax obligations on time and in full, on the other hand, serves to increase social responsibility, efficiency and institutional trust in their activities. This is an important theoretical-empirical tool in ensuring macroeconomic stability and predictability of budget revenues.

Stability rating is formed in modern economics at the intersection of the concepts of institutional economics, Information Theory and incentive economics. It is an important management mechanism that allows more targeted, efficient and targeted orientation of Public Policy.

The implementation of the sustainability rating of business entities (Table 1) is one of the strategic directions of improving the entrepreneurial environment in Uzbekistan, strengthening tax discipline, increasing competitiveness in the business environment, the formation of stimulating mechanisms and the widespread introduction of the principles of digital management. Through this rating system, the activities of legal entities are evaluated in an automated way based on complex, objective and transparent criteria for economic efficiency, financial discipline, levels of tax compliance and institutional stability.

**1-table Sustainability rating of business entities**[1]

| Stability level | Rating indicator | Mark |
|---|---|---|
| High | AAA | 96-100 balls |
| | AA | 91-95 balls |
| | A | 86-90 balls |
| Middle | BBB | 76-85 balls |
| | BB | 66-75 balls |
| | B | 56-65 balls |
| Satisfactory | CCC | 51-55 balls |
| | CC | 36-50 balls |
| | C | 26 to 35 balls |
| Lower | D | 25 balls |

The rating system is formed on the basis of 23 indicators, divided into 3 main groups, which include the criteria of economic efficiency, financial discipline and institutional stability. This system shows not only the assessment of tax discipline, but also the overall business stability, social responsibility and long-term development potential of the enterprise. Each of the criteria is analyzed through automated algorithms based on digital data to ensure that the evaluation process is accurate, transparent, and free from the human factor.

[1]Development prepared by the author.

The stability rating is formed on the basis of a points system and is assessed on 23 criteria. The ranking results were categorized into higher categories such as” AAA“,” AA“,” A", with the following incentive measures set out for each category:

Rating”AAA": exempt from tax checks (except for the scope of criminal cases•, as well as the amount of Value Added Tax (VAT) is returned within a day without checks;

Rating ”AA" rating: allowed to receive state assets and land on condition of payment in installments, in which case it is possible to delay up to 5 years, exempted from the central bank rate on the amount remaining after the initial payment of 15% ;

Rating “A”: all tax surpluses (except VAT) are refunded within 3 days, the procedure for mutual accounting of VAT on imports and realizations is introduced.

It should be noted that these incentive measures cannot be used by state enterprises and legal entities with a state share of more than 50% in the authorized fund. This is an expression of institutional policies aimed at ensuring a free competitive environment and supporting the private sector.

The system of stability rating of business entities has a strong theoretical and practical value in strengthening discipline in the economy, addressing tax policies and improving the business environment. It is functioning as a strategic management tool of the state.

As noted above, this rating system consists of 23 indicators on economic efficiency, financial discipline and institutional stability, which assess the tax discipline, general stability, social responsibility and long-term development potential of the enterprise. The methodology for determining the stability rating of business entities is formed on the basis of criteria for economic efficiency, financial discipline and institutional stability, and includes a set of 10 General, 9 reducing (negative) and 4 additional (stimulating) indicators. Rating criteria are analyzed through a scoring assessment system relying on quantitative and qualitative indicators, which serves to ensure transparency, objectivity and automation of the assessment.

General indicators (10) – these criteria are assessed through the duration of the activity of the business entity, financial results (including profit, assets, income), the discipline of fulfilling tax obligations, the circulation of an electronic account invoice (EHF), the stability of the wage fund, the level of debt before the budget and other indicators of financial discipline. Through these criteria, the financial stability of the enterprise, fiscal responsibility and the ability to operate continuously are determined objectively. These indicators also provide important information about the long-term strategic development potential of the entrepreneur.

A special place in determining the sustainability rating of business entities is occupied by the “general criteria for assessing activity” within the 23 criteria being used. These criteria serve to assess the financial, tax, organizational and labor discipline of the subject, as well as the stability of legal activities. Methodologically, they are assessed on the basis of qualitative and quantitative indicators. These general criteria have a total of 10 criteria indicators, which mainly cover the following areas:

- Term of establishment and financial indicators (EBITA);
- Property ownership and rental facilities;
- Salary level and dynamics;
- Tax reporting and payment discipline;

- Electronic document proceedings (EHF ) ;
- Cases identified based on the analysis of tax authorities.

Each criterion is scored with a maximum of 10 points. Also, in some cases, a negative score (-5) is used as a measure of influence, which indicates that the assessment system is organized on the basis of stimulating and punishing elements.

Positive scores are mainly rewarded for good discipline, effective activities, timely payment and reporting. Negative scores are deducted up to 5 points for lack of property rights, deficiencies in electronic invoices (EHF), low profitability, or low minimum wage (EKIH).

The criteria are assessed on the basis of specific interest ranges or legal circumstances. For example," EBITA "is a percentage profitability criterion: above 70% – 10 points, 25-50% – 2 points or a score is given depending on how much percent of the turnover" EHF share " is formalized with electronic documents. This approach allows standardisation, comparison and objectification of criteria.

The above criteria are assessed on the basis of periodicity as follows:

- Annual: profitability, commodity realization, duration of activity;
- Monthly: tax reports, fees, wages and property issues;
- Daily: deficiencies identified and eliminated by tax authorities.

This means that the rating system is adapted to constant monitoring. The assessment procedure is carried out on the basis of electronic information systems, in particular tax authorities, property rights registers, bank payment systems and EHF platforms. This minimizes subjective error and serves to automate the evaluation process.

The general assessment criteria of the business entity are developed on the basis of methodically accurate, numerical and comparative indicators. This system serves to realistically assess the tax and financial discipline of the subjects, to fairly apply incentive mechanisms and to formulate the economic management strategy of the state on the basis of digital data. Through this system of criteria, the state is demonstrating an innovative approach aimed at developing the digital economy, ensuring a fair balance under the tax burden and qualitatively increasing the entrepreneurial environment.

Score reduction indicators (9) – these types of criteria serve to identify negative situations in the financial and organizational discipline of the business entity. This includes the frequent exchange of the head of the company, several changes in the legal address within a short period of time, the mandatory collection of tax debt, the status of the validity of the VAT certificate and other unpleasant indicators. These criteria determine the risk factors that threaten the stable functioning of the enterprise, leading to a decrease in points in the ranking. This, in turn, serves to encourage disciplined and transparent management of the company.

The sustainability rating system of business entities is based not only on incentives, but also on disciplinary assessment mechanisms for negative situations. This approach is achieved through "score-reducing criteria". They provide a mechanism for reducing scores based on the financial and organizational instability of the enterprise, tax indiscipline, insecurity of the management and the facts of infringement.

The criteria that reduce scores fulfill the function of the rating system that determines risks and regulates tax discipline. That is, through these criteria, the state identifies fiscal risk enterprises, lowering their rating and causing them to be unable to enjoy benefits. This system employs a" stimulus and sanction " mechanism. Reducing criteria are usually scored " -5 " or "-10". Evaluation criteria are based on 3 types of techniques:

- Frequency (multiple repetitions). For example, more than 3 times the change of the leader or address.
- Legal status i.e. cancellation of VAT certificate, availability of court decisions.
- Evidence in the information system i.e. incorrect Mxics, corrections to the report, decision of property.

The points-reducing criteria used in determining the sustainability rating of business entities serve to identify negative cases in the financial, tax and organizational discipline of enterprises. Methodologically, these criteria fulfill the risk predictive and preventive assessment function of the rating system. Through these criteria, subjects are tested not only on the basis of performance, but also in terms of their point of disciplinary and institutional stability.

First, a change in the legal address more than three times in a year is assessed as a sign of instability in activity. This is recognized in methodology as a negative indicator based on the "frequency" (multiple iterations) approach. Such changes are interpreted as an attempt to hide activity or bypass control, and are scored and deducted with -5 (minus five) points.

Secondly, the frequent exchange of the leader negatively affects the stability of management. According to the methodical approach, more than three changes of the leader over a period of 12 months represent instability in internal management and negatively affect the long-term planning ability of the subject.

Thirdly, the criterion for the reliability of the founder or leader is a qualitative approach, and the participation of persons associated with subjects who have previously committed a crime or suffered bankruptcy negatively affects the rating of the enterprise. In this case, the rating system also takes into account the historical reputation and institutional reliability of the subjects.

Fourth, repeated adjustments to tax reports also reflect the subject's level of accuracy in accounting. This criterion is methodically based on the principle of" information reliability". Each remedial case is assessed by step-by-step score reduction (from 1 point to 5 points), which encourages transparency and fiscal discipline.

Fifth, the cancellation or suspension of the VAT certificate is recognized as the most severe negative criterion. This situation means that the subject loses his status as a VAT payer and is scored with -10 (minus ten) points in the ranking and is deducted. This approach has a methodological basis as a "critical indicator" that determines high risk levels.

Also, the criteria for the decision on property for tax debts, violations in the field of tax or customs, improper use of Mxik, and judicial collection of creditworthiness directly or indirectly affect the financial stability, discipline and legal reliability of the enterprise. These indicators are determined on the basis of legal and Information Systems, the accuracy of which provides a high real-time monitoring approach.

In general, these criteria are scored up to -5 or -10 points, and they are methodically classified on the basis of frequency (multiple repetitions), legal status and evidence in the Electronic Information System. This approach not only serves to fairly and objectively form the rating system, but also serves as a strategic tool for strengthening tax administration and predicting fiscal risks.

The score-reducing criteria used in determining the sustainability rating of business entities are based on a systematic approach, not only in content, but also in the order in which they are evaluated in time-cut. Methodologically, this approach determines the frequency of monitoring of the criteria and increases the speed and accuracy of detecting risk cases through them. Evaluation periodicity determines how often analysis and ranking are affected based on specific criteria. This ensures that the rating system is real-time, dynamic and flexible.

Annual criteria are used to assess strategic and long-term sustainability. Among them, there are such criteria as changes in the legal address, frequent exchange of the head, reliability of the founder or leader, violations in the field of tax or customs, judicial collection of creditworthiness.

These indicators are usually negative cases that occur throughout the year or are determined through annual reports. Due to the fact that the assessment is carried out in an annual cross-section, the impact on the rating based on such criteria usually serves to determine the level of institutional stability, legal reputation and financial responsibility.

Monthly cross-sectional assessment is focused on operational status monitoring. This analyzes criteria such as repeated adjustments to tax reports and incorrect use of the identification code of products and services (MXIK). These indicators provide a constant signal about the tax discipline of the enterprise, the reliability of information and the quality of accounting. Methodologically, monthly monitoring adapts the rating system to constant control and makes it possible to quickly influence the rating in case of a sharp deterioration in the state.

The level that provides the highest accuracy and speed is the criteria that are evaluated in the Daily cut. This category includes only indicators that are most important and directly affect the rating. For example, criteria such as the cancellation or suspension of a VAT certificate are automatically monitored in real time. This method is based on the principle of real-time evaluation. It is used in cases where there is a direct exchange of information between the tax administration and the rating system. This ensures that unexpected negative cases are taken into account in the ranking without delay.

Score-reducing criteria are one of the important parts of the stability rating system through which those who violate fiscal discipline are separated, the rating is formed fairly and reasonably, and negative behavior is restrained in a preventive way.

Additional scoring indicators (4) – these criteria are aimed at assessing the social and economic responsibility of the business entity, and include the following.

First, to create equal opportunities in the labor market through the employment of persons in need of social protection;

Secondly, paying decent wages to employees through the above-industry average of the wage fund;

Thirdly, the release of products or services to foreign markets, that is, the provision of foreign exchange revenue through export potential;

Fourth is to set a pattern of fiscal discipline by achieving a higher than average tax revenue in the area in which the subject is operating. Through these indicators, in the rating system, not only financial, but also social and national economic priorities are taken into account.

In the sustainability rating system of business entities, additional scoring (incentive) criteria were introduced to assess the positive activities, responsible approach and socio-targeted actions of the entities. Through these criteria, the rating system not only controls tax discipline, but also acts as a mechanism that encourages social stability, employment policies and export potential.

In the system of stability rating, the incentive criteria are aimed at supporting the economic efficiency, Social Responsibility and fiscal discipline of the business entity. According to the methodological approach, these criteria are assessed on the principle of awarding points and are determined by percentage growth, comparative proportions and quantitative indicators. This approach allows criteria to be objectified, compared, and analyzed in an automated form.

In determining the sustainability rating of business entities, the criterion “ensuring employment of social groups” is an important indicator that serves to stimulate social justice, inclusive economic growth and employment policies .

This criterion is assessed according to the proportion of underprivileged persons included in the staff of the subject: “Iron notebook”, “women's notebook”, “youth notebook” and the Social Register:

10% of the number of employees -20% belong to social groups – 5 points;

10 points are awarded if 20% or higher.

Methodically, this criterion is developed on the principles of inclusiveness, an addressable approach and social responsibility. In the assessment:

A proportional approach (proportional model of space) is used — a score is determined based on the percentage of employees of the social category in the total number of employees;

Statistical integration – the information base of the tax authorities works inextricably linked with employment information and social registers;

Automatic monitoring on a monthly basis – this process allows free, transparent and constant control of the human factor.

Through this criterion, the rating system promotes socially significant activities financially and fiscally. That is, the enterprise is not only engaged in income-generating activities, but as a subject with social responsibility is recognized by the state as worthy of a high rating. This increases access to government-imposed tax easements and preferences, and increases overall economic activity by increasing employment of socially vulnerable strata, and engages the private sector in government-run employment policies and addressing assistance mechanisms .

The above social group employment, however, shows that the criterion is a mechanism by which the stability rating system relies not only on financial and fiscal indicators, but also on social stability and equality. Through this criterion, the state serves to form a “responsible entrepreneur” model, the rating system becomes a financial assessment instrument with social purpose, and employment policy connects to an automated assessment system, which makes public management effective.

## Conclusion

The system for determining the stability rating of business entities marked a new stage in the economic policy of Uzbekistan. This system makes it possible to comprehensively assess entrepreneurial activity not only on the basis of financial indicators, but also in terms of tax discipline, social responsibility, organizational stability and the point of institutional reliability. The ranking methodology, formed on the basis of 23 criteria, analyzes economic activity in a digital, transparent and objective way through positive and negative indicators, as well as incentive elements.

One of the dominant aspects of the system is the basis of the scoring model on approaches that allow accuracy, automation and comparison, and the integrated formation of all indicators into statistical, legal and information sources. While the annual, monthly, and daily cross-sectional implementation of the assessment ensures that the grading process is real-time, dynamic, and flexible.

The fact that rating criteria have motivational and punitive mechanisms encourages entrepreneurs to operate disciplined, honest and socially responsible. In particular, the provision of tax benefits, priority use of public resources, and other preferences to subjects with high rating assessments further adds to the practical importance of the system. Also, the availability of impact measures for low-ranking entities serves to ensure economic order and accountability.

In theory, however, the grading system has an important place as a mechanism that eliminates information asymmetry, enhances economic security, and fairly implements resource allocation. It works in harmony with the principles of institutional economics, incentive theory and information economics.

In general, through the system of sustainability rating of business entities, it serves to decide on an information-based, targeted and open approach to the private sector by the state. This system manifests itself as a modern and sustainable management tool to strengthen the effect of economic reforms, form a healthy competitive environment, increase the forecast of budget revenues and develop reliable ties between the public-private sector.

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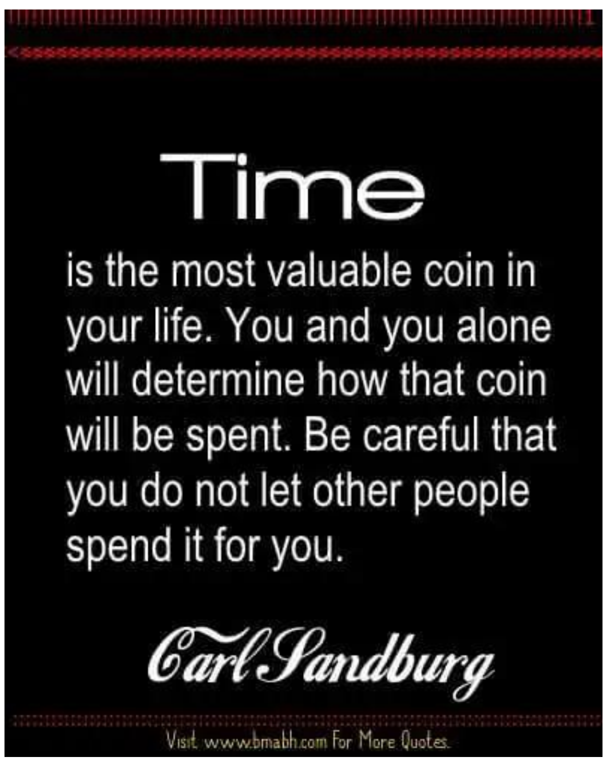

# DEVELOPMENT OF RETAIL TRADE ENTERPRISES IN UZBEKISTAN

**Urinov Yigitali Muratovich**[1]

***ABSTRACT***

*The process of economic modernization and the stable economic development of service sector enterprises require the improvement of mechanisms to enhance the efficiency of economic resource utilization, which is considered an important factor in ensuring the intensity of their economic activity. In this regard, the article analyzes the development opportunities of the retail sector in the Republic of Uzbekistan.*

***Keywords:*** *Retail Sector, Customer Satisfaction, Service Quality, E-Commerce, Goods.*

## INTRODUCTION

The main objectives of the retail sector are to ensure the intensity of service, which is related to the mechanism for increasing the efficiency of service enterprises, increasing labor productivity at retail enterprises, achieving efficient use of economic and labor resources, ensuring the quality and effectiveness of the services provided, and fully satisfying consumer needs. At the same time, improving the quality of services in the international market and increasing the export of services is a key goal of the socio-economic development of our country.

The development of the service sector is significant because, from an economic perspective, it is more efficient and faster than the production sector. At the same time, initiating activities in the service sector is characterized by a high turnover rate of financial resources and requires less investment.

As a result of the expansion of digital services in the Republic of Uzbekistan and the acceleration of transformational processes, structural changes are also occurring in the service sector. In particular, if we analyze the dynamic statistics of 2020–2024, the service sector grew by 19.2% in 2024 compared to the previous year. Among the fastest-growing service sectors in 2024 compared to the previous year are accommodation and food services (69.3%), information and communication services (69.1%), financial services (68.2%), educational services (65.1%), healthcare services (63.7%), and other services (65.8%).

These sectors have shown consistent development as a result of the fundamental reforms being carried out in our country. The growth of transport services in 2024 amounted to 49.3%, which is the lowest growth rate compared to other service areas.

Retail trade combines the commercial interests of the seller with the consumer's need for quality goods and services. It is through retail activities that local manufacturers are directed to maximize consideration of public demand.

Retail activity is based on the theory of personal choice, which is grounded in the principle that the consumer is a priority, and society reflects the social expression of the quality of life.

[1] Doctor of Philosophy (PhD) in Economics

Today, retail trade is one of the fastest-growing sectors of the national economy. The turnover of many retail enterprises is steadily increasing, and the turnover of some large retail enterprises is comparable to the output of prestigious industrial companies.

The retail network is increasingly integrated with other parts of the supply chain, including consumers, distributors, and manufacturers. If we look at the growth rate of retail trade turnover in the regions of our republic, retail turnover increased by 22.3% in 2024 compared to the previous year.

Currently, one of the key trends in retail in the CIS countries is the development of supermarkets, hypermarkets, and discount stores. Discount chains are the most developed in all countries and reach nearly 100%.

Today's transformational processes in retail may lead to the following developments in the near future:

Large shopping centers with centralized warehouses and computerized systems in each retail store will allow for automatic order transmission from the central warehouse to all stores;

Full statistical data on each retail store's operations – sales volume and profit per square meter of retail space – will be available;

Sales volume and profits will be formed in the most convenient retail locations for customers;

Sales volumes will increase due to advertising campaigns for each type of product, as well as detailed data on product groups and store sections;

The placement of fast-moving goods in retail stores will be optimized, and maximum retail space will be allocated to "hot" products, resulting in reduced distribution costs;

The number of retail stores will decrease while mutual integration between them will increase;

Management functions will be performed only by highly qualified managers working in a professional marketing environment with skilled representatives of manufacturing firms;

Large cooperatively managed cafes will emerge;

Automated barcode scanning systems and direct productivity analysis systems will be present everywhere.

The continuous development and renewal of the retail network and the improvement of its structure require the rational placement of trade enterprises. They should be located as close as possible to the population to ensure high efficiency of capital investment.

At the current stage of economic development, the goals of retail trade include increasing trade volumes and improving customer service levels through more systematic development of retail and warehouse networks of all forms of ownership and departmental affiliation. The further development of trade is impossible without a sufficient network of modern stores, warehouses, refrigeration units, and transport facilities.

At present, the main directions of technical development in retail trade are related to the digitalization of trade operations and the provision of digital services in several processes. E-commerce forms the foundation of activities in this area.

The structure of e-commerce is multifaceted and includes a multi-level system consisting of electronic support for the joint activities of many enterprises and organizations (e.g., outsourcing or virtual enterprises), starting with business and organizational representations in the Internet environment. E-commerce is largely global in nature. At the international level, it includes complex processes such as differences in taxation, customs duties, and banking regulations compared to national systems. Today, e-commerce is expanding in our republic based on the development of electronic business via the Internet.

If we look at the dynamics of e-commerce growth in the Republic of Uzbekistan, it increased by 31.2% in 2024 compared to the previous year.

It is known that e-commerce involves technically complex activities for the sale of goods, and its implementation requires improving the qualifications of staff and the technical capabilities of enterprises. The ongoing development of e-business and the availability of the necessary tools on the Internet provide an opportunity for the industry to reach a new level.

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# ORGANIZATIONAL AND ECONOMIC MECHANISM OF LOGISTICS INFRASTRUCTURE DEVELOPMENT IN TRANSPORT ENTERPRISES

**Saidmurodov Feruz Sodiqjon o'g'li**[1]

***ABSTRACT***

*In this article, the provision of stabilization of the technical and economic condition of logistics infrastructure objects in transport enterprises is explained in detail. Also, a model for the development of the logistics system in transport enterprises is given.*

***Keywords:*** *Transport System, Railway Network, Types of Transport, Transport Infrastructure, Transport Logistics, Freight Turnover, Efficiency.*

## Introduction

The importance of the transport complex and infrastructure in the ongoing global integration processes is increasing. The tasks of developing these areas are carried out by the global transport and logistics system.According to the World Bank, the amount of world transport services in GDP is 4.3 trillion. Estimated in the amount of US dollars (6.9%), it is 110 billion per year. tons of cargo and 1 trillion. more than 100 million passengers are transported, the number of employees employed in the transport infrastructure is 100 million. constitutes a person [1]. Modern cargo transportation technologies are successfully developing in the world. Therefore, in order to ensure the innovative development of the transport system, it is necessary to improve the mechanisms of effective use of "transport-transit" and "transport-logistics" potential in the country.

According to foreign experience, the use of modern logistics technologies in the railway network allows to reduce the delivery time by 25%, and to save the volume of material reserves by 30% to 60%, as well as to reduce the transport and logistics costs of manufacturing enterprises using railway transport services by approximately 30-35%[2]. In this regard, conducting research on improving the mechanism for the economic development of the railway transport system will allow for scientific solutions to many problems facing this sector.

Special attention is being paid to rapid development of transport communications as an important branch of economy in our country.In this regard, for 2022-2026, Uzbekistan has developed a development strategy for both "transport and logistics" and "development of the market of services and infratuzilla", Temir Yildiz infratuzilla electrification by 60% and the automotive market zhadal development, the transport industry of the trade union as "yashil koridorlar" transit opportunities of Kengaitirish and the transit of yukos with a carrying capacity of 15 million tons. Tons of " Kabi sustainable dolgalar belgilangan [3]. Mazkurov also noted that the Samara region is one of the largest regions in the country in terms of freight transportation by rail.

Decree of the President of the Republic of Uzbekistan dated February 28, 2022

[1] Assistant of the Department “Finance,tax and banking”, Samarkand branch of Tashkent State University of Economics

According to the "Strategy for the development of the transport industry of the Republic of Uzbekistan for 2022-2026" dated February 1, 2019 No. PF-5647-son "On measures to improve the transport system of the Republic of Uzbekistan for 2017"December Ave-3422-Son "On measures to diversify transport infrastructure in 2018-2022 and increase transport accessibility in 2019-2022"in accordance with the established duties, the Mazur dissertation for the degree of Candidate of Art History.

**Literature analysis**

This verse says that Imam Ali (peace and blessings of Allaah be upon Him) was one of the companions of the Prophet Muhammad (peace and blessings of Allaah be upon Him), who was one of the companions of the Prophet Muhammad (peace and blessings of Allaah be upon Him).Romer, R.Harrod, E.Domar, D.Hamberg, R.Solow.Schumpeter, V. I do not know. However, this study fundamentally characterizes the profession of ethics, for example, the general development of the economy and literally determines the development of the economy.

MDT: I. Belov, G. Bubnova, G. Vovk, V. Galaburda, O. Efimova, A. Zaitsev, A. Kaplan, R. Kozhevnikov, V. Kozyrev, V. Kolesnikov, B. Lapidus, L. Levitskaya, B. Levitsky, B. vkin, E. Gagarsky, V. Gerasimov, V. Dybskaya, A. Kirillova, A. Kolik, P. Kurenkov, E. Mamaev, L. Miroshnichenko, V. Morgunov, D. Novikov, V. Sergeev and L. Fedorov The Ministry of Transport approved the creation of transport and logistics infrastructure[4].

The MDT featured: I. Belov, G. Bubnova, G. Vovk, V. Galaburda, O. Efimova, A. Zaitsev, A. Kaplan, R. Kozhevnikov, V. Kozyrev, V. Kolesnikov, B. Lapidus, L. Levitskaya, B. Levin, B. bkin, E. Gagarsky, V. Gerasimov, V. Dibrova, A. Kirillova, A. Kolik, P. Kurenkov, E. Mamaev, L. Miroshnichenko, V. Morgunov, D. Novikov, V. Sergeev and L. Fedorov in the same year, the Ministry of Transport decided to create the Samara-Samara transport and logistics complex[5].

Uzbekistan was represented by G. Samatov, M. Ikramov, K. Uljaboev, Y.Koriev, A. shermukhamedov, K. ziyadullaev, M. irisbekova, A. zokidov, A. Gulamov, V.Yarashova and Zh. Fayzullaev made a great contribution to the development of Samara's transport system. Thus, transport communications in the Sesava district were transferred to the jurisdiction of Tadeusz Kosciuszko, which included Zh. Artikov, I. Kodirov, R. Sarbaev and others[6].

In the scientific works presented above, it can be seen that the problems of the transport system management mechanism, its macroeconomic aspects, and methodological approaches to the assessment of the main capital of railway transport enterprises from an economic point of view have been researched. Today, the issues of economic development of the railway transport network, the study of transport and logistics as a single system are among the urgent issues.

**Research methodology**

The scientific and theoretical basis of this article is the organizational and economic mechanism for the development of logistics infrastructure at transport enterprises, which includes scientific articles, scientific works of foreign and domestic economic scientists on this topic. During the study of the topic, methods of comparative analysis of literature, logical and structural analysis, grouping and comparative comparison were used.

## Analysis and results

Ensuring the stabilization of the technical and economic condition of logistics infrastructure objects in transport enterprises is the main task of the initial period of modernization. In order to ensure that the logistics infrastructure in production enterprises will come out of the crisis, it will be necessary to establish financial and material resources for economic growth in the medium-term perspective. In the long-term perspective, it is desirable to plan the solution of two main tasks: sustainable development of transport-logistics infrastructure and thereby ensuring economic growth (Fig. 1).

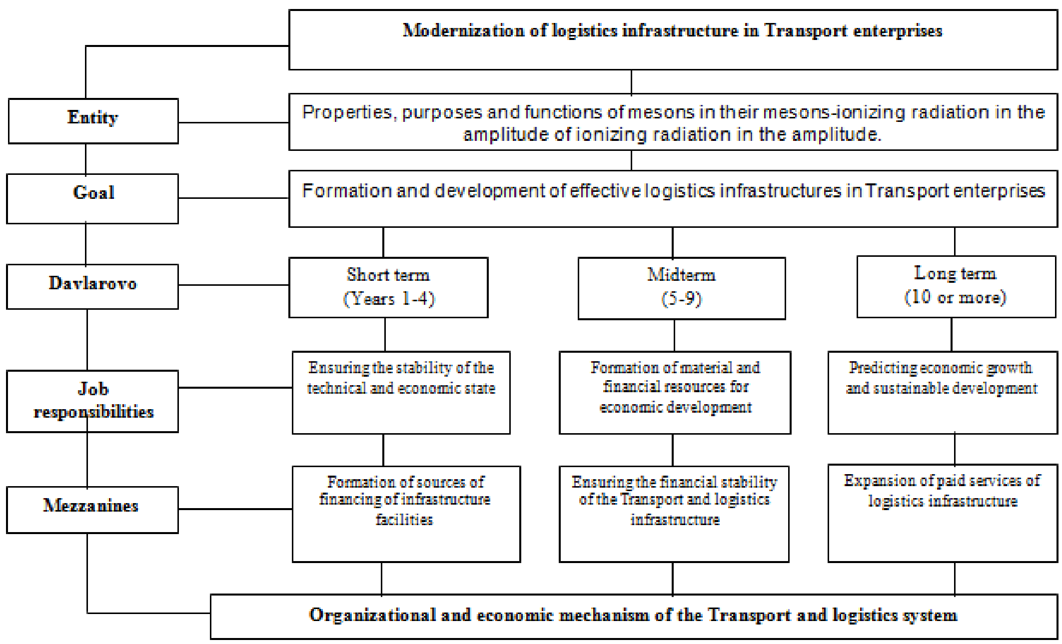



Figure 1. The main directions of modernization of logistics infrastructure of transport corporations [1]

[1]Compiled by the author based on the research carried out.

Effective organizational and economic mechanism of logistics infrastructure in transport enterprises creates conditions for its sustainable development. To be more specific, it is desirable to form logistics infrastructures to ensure the stable operation of these transport enterprises. Figure 3.2 shows the main criteria of logistical organization in the delivery of goods, which determine the development of management decisions when choosing a specific method of transportation.

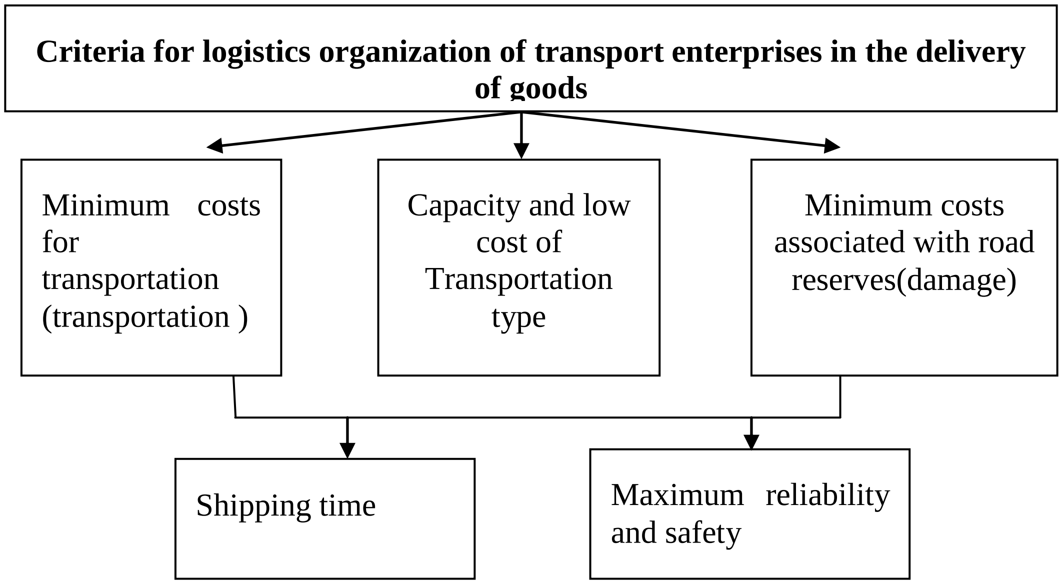



**Figure 2. Mesons of transport logistics [1]**

As can be seen from Figure 2, there are certain criteria for the logistics organization of transportation of products by transport enterprises, and the effective functioning of the wholesale trade in products and the transport and logistics system is determined precisely based on the above criteria. The purpose of logistics services in transport enterprises is to organize transport provision and select transport types based on the above criteria.

The initial element of the organizational and economic mechanism is the management goal. Determining the goal is the most important stage in the development and adoption of management decisions, which determines the strategic and tactical directions of the system's development. The goal of the conceptual model of the organizational and economic mechanism proposed by the author is to ensure the competitiveness of transport enterprises by minimizing the quality of transport and logistics services, organizational costs and delivery times, while increasing the economic efficiency of enterprises.

The organizational-economic mechanism occupies a special place in the conceptual model, since it connects theoretical developments and organizational processes with their real practice. The mechanism allows you to select management tools that are consistent with the principles and effectiveness of transport enterprises and their corrective actions.

The use of logistics can increase the efficiency of transport enterprises, their competitiveness, and create a foundation for success. To do this, it is necessary to develop a logistics strategy for transport enterprises, which is designed to support the corporate strategy. The basis of the logistics strategy should be a logistics mission, or the seven rules of logistics.Seven rules determine the subsequent actions and solutions in the field of logistics of transport enterprises: ensuring the delivery of the required product of a certain quality, in the required volume, to a specific consumer, at minimal cost, at a specified time, to the required place. In

[1]As a result of the research carried out, it was compiled by the author.

addition to the logistics mission, to form the logistics strategy of an industrial enterprise, it is necessary to identify a leading idea to support the business and manage the main and secondary flows. Model of the development of the logistics system in transport enterprises (Fig.3)

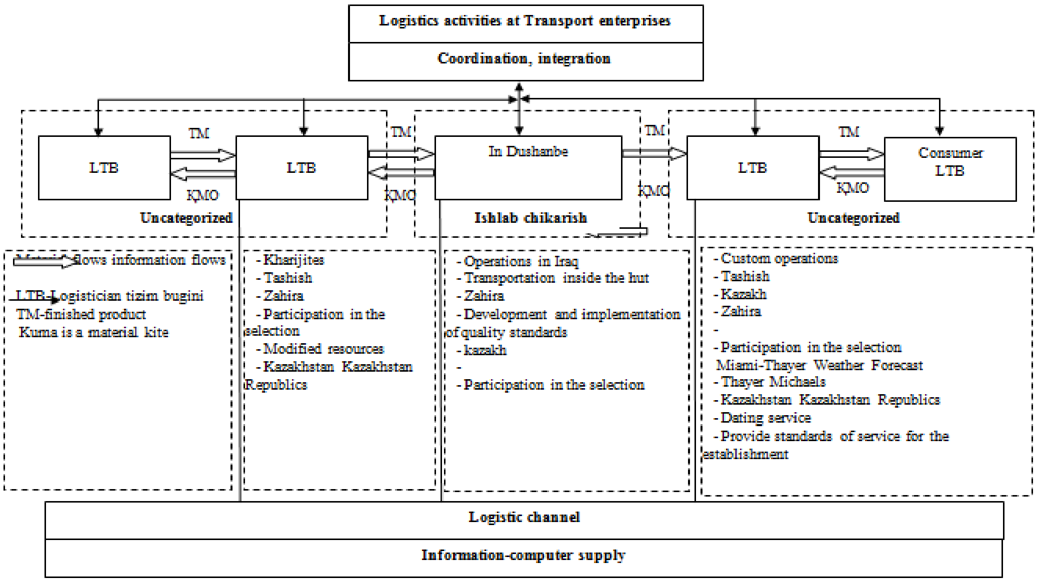



**Figure 3. Model for the development of logistics system activities at Transport enterprises [3]**

[3]Саматов Ғ.А., Комилжонов Б.И., Галимова Ф.Р. Логистик бошқарув коцепциялари ва моделлари – Тошкент: Фан ва технология, 2015. – 232 б.

A logistics channel is an organized set of links in a logistics system, consisting of logistics chains or parts thereof that transfer material and service flows from suppliers to final consumers. Figure 4 shows an example of logistics channels (distribution channels) for consumer goods.

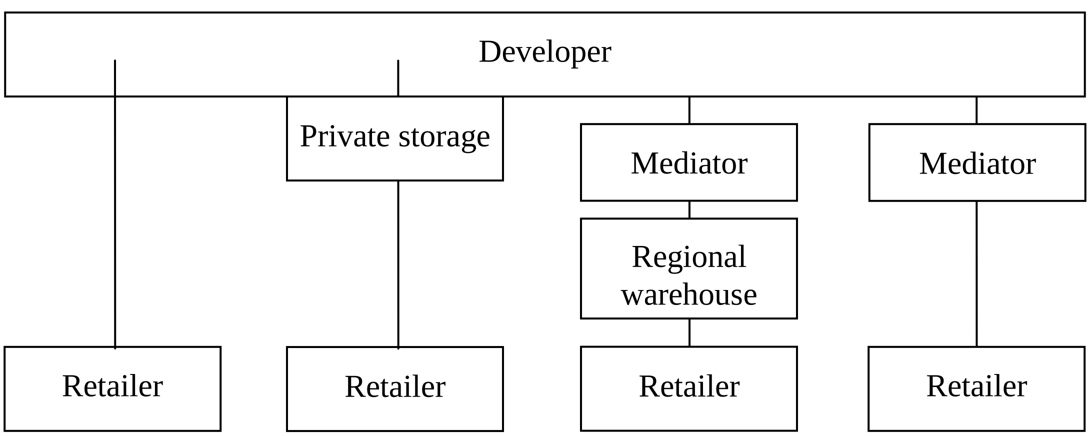
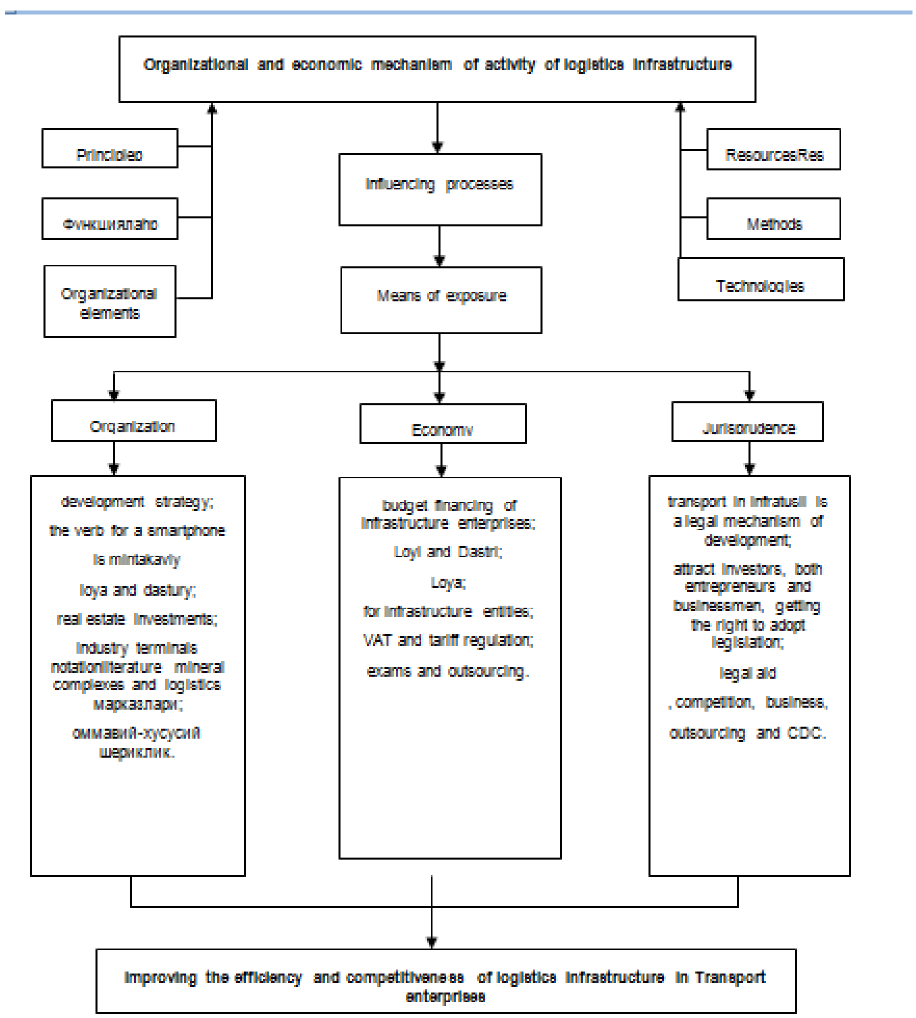



**Figure 4. Logistics channels for distribution of consumer goods [1]**

[1]Саматов Ғ.А., Комилжонов Б.И., Галимова Ф.Р. Логистик бошқарув коцепциялари ва моделлари – Тошкент: Фан ва технология, 2015. – 232 б.

The organizational-economic mechanism of the transport-logistics infrastructure consists of a set of complex forms, methods and means of organizational, economic and legal influence on the process of providing transport and logistics services for all sectors of the economy and the population of the region. Figure 3.5 shows the model of development of the organizational and economic mechanism of logistics infrastructure activity in transport enterprises.

The proposed economic-organizational mechanism will be formed and implemented by state bodies, which will be governed by their own policies (of course, all of this is developed in accordance with national socio-economic and transport policies), as well as environmental, national and global factors.




**5. Drawing. Enterprise transport logistics infratuzilma organizational and economic mechanism decision-making model [1]**

[1]As a result of the research carried out, it was compiled by the author.

Therefore, the organizational-economic mechanism of the logistics infrastructure includes specific principles in this regard, in addition to its specific tasks, existing resources, special structures, traditional methods, as well as new methods, modern management technologies.

Adaptability is the ability to take into account changes in the surrounding market environment and make adjustments to the process of regulating production and economic activity.

Stability is the reliability of a flawlessly functioning mechanism at the required level. This entails significant changes in the socio-economic environment.

Efficiency (effectiveness) - when a specific mechanism is used, it is assumed that the costs of material, labor, financial and other resources at all stages of its implementation are covered, as well as the direct and general effects of this mechanism.

The economic and organizational mechanism is a mechanism that implies a form of interaction between the regional transport infrastructure and its participants in the external environment in order to adapt it to changes.

In general, this mechanism includes the following:

- Establishing mutual cooperation that ensures the correct sequencing of the activities of the participants, the protection of the interests of each of them and the timely correction of their subsequent actions;
- Regulatory documents governing the interaction of participants;
- Conditions for financing investments.

The organizational and economic mechanism for implementing these processes of influence has its own means. That is, the set of means (presented in the model in Figure 3.4), their number, combination and level of use, depending on the specific tasks, solutions, and situations, can achieve different values.

It should be emphasized that this model presents only the main elements, each of which, in turn, clearly constitutes several smaller, more detailed types of organizational and economic instruments. Therefore, the elements, individual components of the instruments of influence, are usually interconnected in various variations with individual elements of other instruments.In particular, such a valuable tool for the development of modern infrastructure as the development of strategies includes a number of analytical, assessment, goal-setting, design, expert opinion, organizational and other methodological tools. At the same time, it is closely related to the development of procedures established by law, forecasting, planning and programming, the formation of innovative activities, and the development of logistics.

Similarly, other instruments and their constituent elements interact with each other in various combinations and complement each other, which in turn produces additional effects. For the same reason, it is always necessary to take into account to some extent the influence of the various types of instruments that make up the systemic instruments of the economic and organizational mechanism, as well as their complexity.The list of certain tools is changing due to the improvement of the main elements of the logistics infrastructure system (management bodies, structures, resources, technologies, etc.). It should be noted that the emergence of new tools, changes in external and internal factors are an objective process in this renewal.

In the process of carrying out the activities of the logistics infrastructure in transport enterprises, it is necessary to improve on objective grounds, practically develop in accordance with market requirements and improve economic transformations. The development of the logistics infrastructure in transport enterprises is characterized by the combination of traditional activities with multifaceted evolutionary modifications and the process of accelerated modernization and socio-economic development.Modernization, in a more general sense, refers to the renewal and improvement of the elements that make up the logistics infrastructure of transport enterprises, which correspond to modern requirements, ensuring that each of its components is in line with the level of development of the regional economy.

Modernization of logistics infrastructure in transport enterprises in today's conditions as a strategic method of building a material and technical base capable of ensuring structural changes, economic and social growth in the region is considered to be compatible with market economic relations and increase the efficiency of logistics infrastructure facilities. In contrast to the pure market scenario, economic reforms include rational selection of methods of modernization of logistics infrastructure in transport enterprises, development and diversification of activities and services of economic entities, introduction of market mechanism and renewal of productive forces.

It is important to emphasize that the organizational and economic mechanism of the logistics infrastructure in transport enterprises consists of a multidimensional, multifaceted system of tools and processes of influence. They are used, as a rule, in real practice to achieve a certain result, in various, certain sets and processes of influence. complexes, and sometimes even in complex combinations. In order to achieve a beneficial impact on certain socio-economic processes and obtain beneficial results, the direction and content of the means of interaction, which are extremely diverse in strength, interconnected, complementary, based on scientifically substantiated use, provide the necessary "chain reaction" on a regional scale and have a synergistic effect.

The application of the presented organizational and economic mechanism will not only allow attracting additional resources to the development of logistics infrastructure in transport enterprises, but also develop the country's economy as a whole and make it possible to use the transport infrastructure more in line with the interests of consumer groups and satisfy them.

All of the above situations serve to improve the organizational and economic mechanism of logistics infrastructure in transport enterprises and determine the relevance of this problem. In the following, it is appropriate to study the features of the application of the main means and processes of influence of the organizational and economic mechanism on the basis of scientific analysis, paying special attention to the most effective and promising foundations of economic development in today's conditions.

**Conclusions and suggestions**

1. A system of indicators describing the development status and dynamics of direct participants in the field of cargo transportation was proposed and their normative values were determined. Based on this criterion, it will be possible to determine the level of economic development of railway transport, reaching their normative values will ensure the acceleration of the processes of forming and developing a competitive market of railway transport services, achieving a high organizational, management and technological level of railway transport enterprises, and improving the quality of the provided railway transport services.

2. Taking into account that the transport system is closely related to the development of the country's economy, indicators for assessing the external and internal state of railway transport activities were divided into absolute and relative indicators, and a system of indicators was formed to assess the country's transport system. An algorithm for forecasting the main indicators of the railway transport system was developed, the proposed system of indicators and algorithm for assessing activities allow determining the level of its development.

3. In order to ensure the economic development of the railway transport system, a conceptual model for the development of the organizational and economic basis of the railway transport system was proposed, which would allow synchronizing logistics operations in Uzbekistan Railways, organizing cargo transportation on the basis of a single complex technological process, delivering cargo from the manufacturer to the consumer on time and with the required quality, storing received cargo in a warehouse, and controlling the movement of material flows. The proposed conceptual model was developed on the basis of insorting (vertical) and outsourcing (horizontal) integration using various approaches to diversifying railway transport activities in the conditions of economic globalization, which will ensure a gradual increase in the level of its economic development.

4. A certain decrease in the throughput of railway transport in recent years was explained by a significant increase in the volume of freight and passenger transportation, a decrease in the inventory of mainline locomotives used in transportation by 18.2%, a decrease in the section speed of freight trains by 9.6%, while the average technical and section speed of freight trains in 2017-2022 is significantly lower than the established norm. Factors that negatively affect the occurrence of these negative situations have been systematized and proposals have been developed to reduce and prevent their impact.

5. Two directions for improving the quality of transport activities based on a single complex of technological processes were identified, and the quality of transport services in the transportation of goods was divided into four groups based on these directions. The degree of providing favorable conditions for transportation of transport modes was assessed in four directions based on local and foreign sources, while the share of railway, road and air transport was determined. A single technological process of guaranteed delivery, in which cases successful directions of operation were proposed.

6. The analysis of the economic activity of the railway transport system is widely covered. The existing problems in the sector and proposals for improving economic activity are scientifically substantiated. According to the volume and sources of investments attracted to the railway network of the Republic of Uzbekistan, in recent years, fixed assets have been allocated for capital repairs, which has led to an increase in the level of obsolescence over time. From this point of view, three directions for attracting investments to the railway transport system are proposed

7. Today, the transport and logistics system does not produce sufficient results, that is, the share of 3PL services in transport and logistics operations is 2-3%, which is significantly lower than the norm. This negative situation is explained by the underdevelopment of the organizational and economic mechanism that coordinates the transport and logistics system. The study developed

an organizational and economic mechanism of the transport and logistics system, consisting of the main and auxiliary blocks.

8. Based on the mathematical relationship between such factors as the amount of revenue from the main activity in railway transport, the amount of investments in railway transport, the volume of transit transportation, the volume of fixed assets in railway transport, and the volume of domestically transported freight in railway transport, forecast values for the economic activity of railway transport for 2024-2030 were proposed.

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# DIRECTIONS OF EFFECTIVE DEVELOPMENT OF INTEGRATED TRANSPORT SYSTEM

**DSc. Fayzullaev Javlonbek Sultanovich**[1]

***ABSTRACT***

*This article provides recommendations for integrated transport management systems, effective transport system management, integrated transport systems, and use of management approaches in transport management.*

***Keywords**: Integrated Transportation System, Rail Transportation, Transport-Logistics, Transit Transportation, Management Efficiency, Modern Management Approaches.*

## INTRODUCTION

The escalation of global globalization and integration processes has led to the expansion of trade relations between states. This process, firstly, requires the development of a system of transport communications, as well as the formation of new cheap and short transcontinental transit corridors, and secondly, the mutual coordination of transport systems adjacent to the world transport system of the countries of the region. According to the World Bank Group, the GDP content of World transport services is 4.2 trillion. The volume of the US dollar (6.8%) increased to 110 billion annually. tons of cargo and 1 trln. more than 100 million passengers were transported, the number of employees employed in the transport infrastructure. the population is[1].

The state and development of the Transport system is of great importance for the Republic of Uzbekistan, since it, along with other infrastructure networks, provides basic conditions for the functioning of society, serves as an important element in achieving socio-economic and foreign political goals. The historical development of transport determines the development of Uzbekistan from an economic and spatial point of view, helps to strengthen its integrity and international influence.

It determines the relevance of the topic of theoretical-methodological research on the study of transport elements as a holistic system and the development of scientifically based proposals to identify existing problems in the processes of its effective management, identify the factors affecting them and improve the effectiveness of integrated transport system management.

## LITERATURE ANALYSIS

A number of scientists who have studied the effective management of an integrated transport system, its content and its impact on other sectors of the economy have expressed various opinions on improving the efficiency of transport system management.

A number of scientists who have studied the effective management of the Transport system, its content and its impact on other sectors of the economy have expressed various opinions on improving the efficiency of the management of the transport system.

[1] TDIU professor

D. Bauersox believed that he paid special attention to the problems of the organization of multimodal and intermodal cargo transportation, introducing the issues of the advantage and economic efficiency of the organization of cargo transportation in comparison with traditional methods. At the same time, the author separately notes the integrated transport system, which includes transport networks, vehicles and transport companies [2].

A.L.Nosov, the problems of the organization and optimal functioning of international integrated transport systems in the current conditions are studied. The prospects for the development of mixed freight transport, indicating the directions for improving the organization of mixed foreign trade transport on international flights, highlight[3].

S. M. Rezer, in the context of changes in his work, considered the models and problems of managing regional transport systems. The country has fully analyzed the methods of interaction of types of transport in the production and transport system, the methodology for forecasting the transport work market and the principles of planning loading work on Highway Transport[4].

Taking into account the above points, it is possible to develop an integrated transport system by considering the problems of assessing the economic-technological possibility, which involves determining the needs of the development of an integrated transport system, using theoretical aspects in the management of an integrated transport system and modern management methods in improving management efficiency.

## RESEARCH METHODOLOGY

In order to effectively manage the activities and integrated transport system of rail transport in our country, solve problems in this process, we analyzed the main indicators of transport of developed countries, modern methods in the management of the transport system, brought directions for the development of their activities through methods of comparison, analysis, synthesis.

## ANALYSIS AND RESULTS

On the territory of Uzbekistan, the type of transport operates as a single, natural Integrated Production and Technology Complex. The sustainable and effective activities of the general transport network are a prerequisite for ensuring the unified economic space of the Republic of Uzbekistan, further development of various industries and agricultural sectors in its territory, increasing the mobilization of citizens of Uzbekistan.

Conducting research on assessing the state of the transfrort system, analyzing the prospects and trends of its development, directly affects the long-term strategy, current policy of the network and provides the basis for determining the need for financial, Labor and material and technical resources and developing a plan for its development.

The Transport network is a blood vessel of the country's economy. Therefore, it is necessary to develop the transport network in accordance with the country's economy. Otherwise, the development of the country's economy is adversely affected by problems in the transport network.

An econometric model was developed in order to determine the degree of influence of GDP on the economy between indicators of transport activity and the main macroeconomic indicators of the transport system. In modeling, it was carried out from the relevant data on the following indicators (for 2014-2023) and using the practical computer program "Eviews 9.0" (Table 1).

**Comparative analysis of the main indicators of the transport system of Uzbekistan in 2014-2023[5]**

| | GDP. mln doll. | The volume of transit transported on the railway, million. t. | Transit volume transported by car, mln. t. | Investment in transportation and storage system, mln doll | The car is transported by Yukos, million tons: | Freight transport on the railway khajmi, mln t. |
|---|---|---|---|---|---|---|
| **2014** | 29550 | 9.758 | 0.459 | 327.51 | 283.4 | 62.9 |
| **2015** | 33690 | 10.444 | 0.47 | 597.46 | 299.9 | 65.6 |
| **2016** | 39330 | 8.38 | 0.547 | 560.66 | 324 | 56.9 |
| **2017** | 45920 | 11.221 | 0.687 | 415.25 | 350.7 | 59.6 |
| **2018** | 51820 | 11.984 | 0.904 | 448.04 | 379.1 | 61.5 |
| **2019** | 57690 | 8.158 | 0.775 | 519.87 | 398.5 | 63.7 |
| **2020** | 63070 | 7.881 | 0.621 | 454.07 | 419.1 | 65.7 |
| **2021** | 66900 | 7.602 | 0.513 | 357.43 | 440.1 | 67.2 |
| **2022** | 67220 | 7.771 | 0.476 | 478.89 | 468.8 | 67.6 |
| **2023** | 72463.16 | 7.108 | 0.602 | 394.21 | 499.3 | 68.1 |

**Source: data from the State Statistical Committee of the Republic of Uzbekistan**.

The correlation matrix represents the values of the correlation coefficient (ρ) for all possible pairs of variables being analyzed (Table 2).

$$\rho = corr(X,Y) = \frac{\sum_{i=1}^{n}(x_i-\bar{x})(y_i-\bar{y})}{\sqrt{\sum_{i=1}^{n}(x_i-\bar{x})^2\sum_{i=1}^{n}(y_i-\bar{y})^2}} = \frac{\overline{xy}-\bar{x}\bar{y}}{\sigma_x\sigma_y} \qquad (1)$$

In this,

X-Factor symbol;

U-result Mark;

Measuring the correlation factor can affect the correlation rate. In gardens located in low-lying latitudes, that is, in a multicollenary state. The correlation matrix is based on the Olingan coefficient, which is an auxiliary element of the Tenglamas regression (Table 2).

**Results of the regression model as part of the interaction of railway transport bearings**

| Switch | Coefficient | Standard Error | t-statistics | Probability |
|---|---|---|---|---|
| X3 | 1.091209 | 0.646712 | 1.687317 | 0.0960 |
| X2 | 2.814424 | 0.994962 | 2.828675 | 0.0061 |
| X1 | 0.432715 | 0.085110 | 5.084161 | 0.0000 |
| C | -80.32901 | 26.87854 | -2.988593 | 0.0039 |
| R-square | 0.741245 | Dependent variable mean | | 20.32182 |
| Flattened R-square | 0.822763 | Dependent variable standard deviation | | 21.35058 |
| Standard regression error | 11.24179 | Акайке ахборот мезони | | 7.752809 |
| The sum of the square of the residues | 8846.445 | Schwarz criterion | | 7.936815 |
| Proximity to logarithmic reality | -288.6068 | Hannah Queen Mezzanine | | 7.826347 |
| F-statistics | 40.10532 | Darbin Watson statistics | | 1.827987 |
| Probability (F-statistics | 0.000000 | | | |

The best model was chosen according to the linear regression equation*:*

***Y= -80.33 + 0.43*X1 + 2.81*X2+ 1.09*X3***

Bunda,

Y-shaped internal information,

X1-the volume of transit through the railway;

X2-Real estate investments and savings;

X3-reinforced concrete floors.

Coefficient of determination (definition, formula and commentary to them). Masala bullies. The coefficient of determination in regression – R2 expresses the probability that the regression caused by a change in the coefficient of determination in regression can be expressed in terms of.

The formula for multiplication:

$$R^2 = \frac{\sum_{i=1}^{n}(\hat{y}_i - \overline{y})^2}{\sum_{i=1}^{n}(y_i - \overline{y})^2} = 1 - \frac{\sum_{i=1}^{n}(y_i - \hat{y}_i)^2}{\sum_{i=1}^{n}(y_i - \overline{y})^2} = 0.741 \qquad (2)$$

From the calculated model, it can be seen that under conditions where other factors are constant, while the volume of transit by rail increases by 10%, while the volume of GDP increases by 13%, the average increase in the volume of freight transported by rail transport is determined to increase the turnover by 1.164%.

Having noted the variety of approaches to the effective management of the Transport system, it is important to research the issues of forming a systematic-hierarchical approach in the study of this problem. According to the law of hierarchy, each vertex of a system is a controller for a vertex standing below itself, and a controller for vertices standing above itself. In a hierarchically structured system, there is structural and functional differentiation, that is, each step specializes in maintaining a certain activity.

Integrated transport system management is the process by which problems with improving system performance or, in other words, management will be conceivable as system organizers. It will be possible to form a hierarchical picture of existing problems on the railway network, describing the sequence of the descent of the level of importance of these problems.

What do these problems consist of? Avvolo, based on the main tasks of the transport system before the country's economy, it is advisable to list the priorities solved in rail transport[6].

to more fully meet the needs of the economy sectors and the population to transport cargo and passengers in an ever-growing environment;

offering services with a high level of quality in the process of meeting the needs of consumers;

taking into account the direct direct-proportional effect of the price of the offered services on the cost of goods and services produced in the economic sectors of the economy, taking measures to reduce the cost of Transportation;

ensuring the positive efficiency of the activity of the transport system of the clock.

In order to increase the competitiveness of the country's transport system in the international transport services market and thereby take advantage of its transit potential, it is necessary to develop the transport and technological infrastructure of existing transport corridors[7]. It should be noted that the types of transport, depending on the essence, will consist of parts related to each other. In our opinion, it was considered expedient to define four-way tasks for the effective management of an integrated transport system(Figure 1).

In this case, it is necessary to develop five, ten and twenty-year concepts of the development of each type of transport. In this case, the main emphasis should be on taking into account the advantages, weaknesses and capabilities of the country and the International transport Market.

The most important aspect in the part of Uzbekistan dedicated to improving the legislation for the regulation of the transport system is the adoption of the law "on integrated transport system".

In our country, the necessary regulatory documents regulating the activities of types of transport have been adopted. The main goal in it is to regulate their interaction with interested participants in transport types. The law "integrated transport system barrier", which is proposed to be adopted, regulates the relations that arise as a result of the unification of transport types into a single system.

Coordination of Integrated transport Management System on the 3rd Front is proposed to establish a Republican Center. The main goal of establishing the center is to achieve the synergistic efficiency of the activities of transport types in the country.

In the part dedicated to the development of infrastructure providing scientific and technical progress of the integrated transport system on the 4th front, it assumes the solution of strategically important tasks related to the 3rd front. First of all, it is proposed to combine higher educational institutions engaged in the training of Higher Education personnel for the malakat transport system into the "Transport Academy"**.**

## CONCLUSIONS AND SUGGESTIONS

In short, the effective management of the reserves of cargo and other material flows in the economy is directly related to improving the efficiency of Management in the transport network and solving organizational and economic problems. Here, of course, we consider that it is necessary to return to effective management of the activities of the integrated system, as well as the possibility of applying the integrated control system. In conclusion, the given methodologies for improving the efficiency of integrated transport system management and the resulting conclusion and recommendations for developing integrated transport system development strategies in the short and long term and moderating the system, effectively conducting work on coordination and integration with business partners, providing quality customer service and improving the competitiveness of logistics service providers, together with this, it makes it possible to increase the efficiency of the management activities of the integrated transport system.

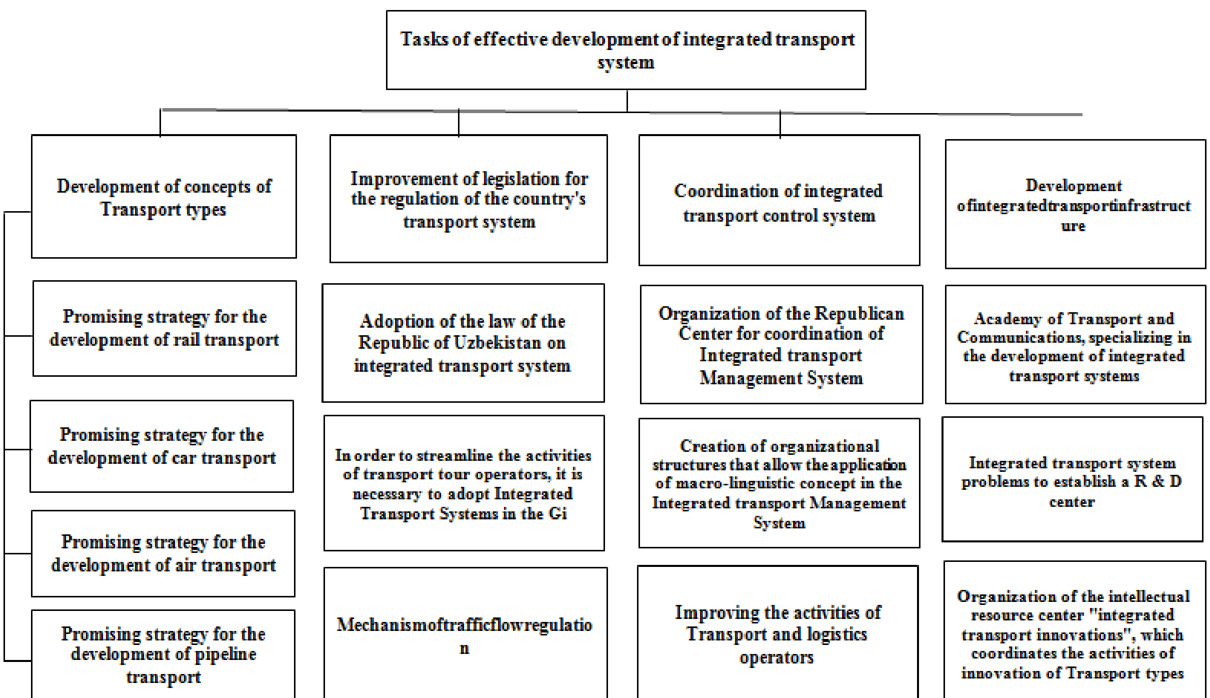


**Figure 1. Tasks of effective development of integrated transport system**
**Source: Author development.**

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# EMERGING TRENDS AND CORPORATE INITIATIVES AND INNOVATIONS IN THE RURAL MARKETS OF INDIA USING THE SWOT ANALYSIS

**Dr. Sunil V. Chaudhary**[1]

**ABSTRACT**

*Before launching a product in the rural market, it is important to conduct a proper market research and analyze the same to ensure that the product, its features and design suits the rural community's requirements.Most Fast Moving Consumer Goods (FMCG) companies in India are introducing customized products especially for rural areas. Thus the sale of FMCG products in rural markets is growing at a fast pace, even faster than that in the urban markets.India today has about 6.4 lakh villages. All except about 15,000, have a population below 5000. Looking at marketer defined classification, most companies in the FMCG sector would define any area with primarily agriculture based occupation and with a population of less than 20,000 as rural. The construct called rurban is the overlap between rural and urban, with physical features closer to urban areas and proximity to large urban centers, but with deep rural social moorings.Markets for many of the categories of products in the urban areas are exhibiting a decreasing growth trend. With the increase in income, exposure to television and changing consumption patterns and preferences, rural markets are offering immense potential for market expansion and growth in several product categories. The market size for the fast-moving consumer goods (FMCG) is estimated to be Rs. 6,500 billion, consumer durables at Rs. 500 billion, agricultural inputs (including tractors) at Rs 4,500 billion, and automobiles (two-wheelers and four wheelers) at Rs 800 billion, totaling to Rs. 12,300 billion.**ITCissettingupe-Choupals,** whichoffersthefarmers alltheinformation,productsand services they need to enhance farm productivity, improve farm-gate price realization and cut transaction costs.*

***Key Words :*** *Rural Market, Rural Marketing Corporate Initiatives and Innovations for Rural Market, Challenges and Opportunities of Rural Marketing in India.*

## Introduction

Rural marketing is identifying and serving the needs of consumers living in villages. Some of these villages are located near cities and they enjoy facilities like electricity, running water and communication infrastructure. Some other villages are located in remote areas, and modern facilities have not yet reached them. The primary source of income for rural consumers is agriculture.

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 percent of male working population in non-agricultural pursuit, and (c) density of population of at least 400 persons per square kilometer."

[1] SEMCOM, CVM University V.V.NAGAR

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

Taking on from the above, a habitation is defined as rural if

- It has a population density of less than 400 per sq. Km.
- At least 75 percent of male working population is engaged in agriculture related activities, and
- There is, in the location, no municipality or municipal board.

India today has about 6.4 lakh villages. All except about 15,000, have a population below 5000. Looking at marketer defined classification, most companies in the FMCG sector would define any area with primarily agriculture based occupation and with a population of less than 20,000 as rural. The construct called rurban is the overlap between rural and urban, with physical features closer to urban areas and proximity to large urban centers, but with deep rural social moorings.

**Significance of the study**

Markets for many of the categories of products in the urban areas are exhibiting a decreasing growth trend. With the increase in income, exposure to television and changing consumption patterns and preferences, rural markets are offering immense potential for market expansion and growth in several product categories. The market size for the fast-moving consumer goods (FMCG) is estimated to be Rs. 6,500 billion, consumer durables at Rs. 500 billion, agricultural inputs (including tractors) at Rs 4,500 billion, and automobiles (two-wheelers and four wheelers) at Rs 800 billion, totaling to Rs. 12,300 billion.

**Literature Review**

1. The marketing strategies designed for urban markets cannot be directly scaled down and applied in rural markets. A thorough understanding of the social, cultural and economic factors specific to rural markets will go a long way in formulating strategies that are tailor made for rural consumers. Hindustan Petroleum Corporation Limited overcame the problems of logistics and pricing by setting up the rasoighar (community kitchen). The paper attempts to identify the prospects, challenges and innovative solutions of service marketing in rural India. **(ShailendraDasari, 2010).**
2. An empirical study regarding the consumption pattern of people in rural areas carried out during January-March 2010, in the villages of selected districts of West Bengal, i.e., Purba and PaschimMidnapore, Jalpaiguri and Burdwan revealed that considering the overall figures, it was concluded that rural consumers are giving the highest importance to brand name, followed by quality and then price. The principal observation across all product categories was that consumers have become brand aware, and prefer products of established brands. Also, usage of commercial products has become more common. Many people now use toilet soaps, toothpaste and chemical fertilizer, while earlier, traditional equivalents were being used by most of the people. Also, consumer durables have made significant inroads. The villagers buy a sizeable part of their non-durables from the haats (village markets), which operate once or twice a week. **(AnjanChakravarty, 2011)**
3. India‟s rural market is a gold mine, but largely remains untapped by the Indian Corporate sector. During recent times some companies and organizations have implemented innovative projects to tap the rural market and deliver value added services to the door steps of the rural people. Indian agriculture is characterized by poor infrastructure, numerous intermediaries and fragmented farming. To tackle such issues which are affecting Indian agriculture, and also to eradicate the vicious cycle

of poverty of the Indian farmer, ITC limited launched e-choupal in June 2000. The purpose of e-choupal was the procurement of agricultural and aquacultural products such as soya beans, rice, pulses, wheat, coffee and prawns directly from the farmers. Internet can change the life of the rural masses in a big way. It can catapult the rural economy to new heights, increase the standard of living and quality of life of the rural masses, bridge the rural-urban divide and contribute to positive social transformation. **(SuvadipChakraborty, 2010)**

4. In the present day world, life has become more complex and competitive; people are under more stress than before because of lifestyle leading to various diseases at an early age. The vast field of Ayurveda is gaining popularity across the world because of its therapeutic values. Consumers are demanding more herbal and organic products across different categories of personal and home care. Patanjali Ayurveda Ltd. is one of the new entrants in the Ayurvedic and herbal FMCG sector, but has already created waves across the country, giving tough competition to established multinational corporations. This research highlights the perception of consumers towards Patanjali products. A total of 150 respondents were surveyed to explore various factors influencing consumers purchase for Patanjali products, and the overall attitude towards strategies implemented by Patanjali Ayurveda. The study findings showed that product quality, brand image, and trust are the most important factors influencing consumer’s decision making in selecting Patanjali products. Association of the name of Baba Ramdev is also influencing sales of Patanjali. Experts say Patanjali’s entry into mainstream trade channels, such as modern trade and its growing presence in semi-urban areas, has helped in augmenting the awareness among consumers. Patanjali is also in talks with e-commerce players. Among the perceptions, the mean score is highest (4.50) for the statement that Patanjali products helps in maintaining good health, and the respondents believed that products offered by Patanjali are safe as they are made from natural ingredients. Customers with a mean score of 4.20 highly agreed with the statement that they preferred Patanjali products as these promote the ‘Made in India’ concept. As far as the perception towards Patanjali product’s quality and effectiveness is concerned, the mean score of 3.65 and 3.25 respectively show that the respondents considered it to be average. Customers in the survey gave a mean score rating of 3.85 and 3.75 to promotional aspects like advertisements and labeling. Overall preference for Patanjali products by the respondents has been rated as 3.85, thereby indicating average to high preference. The mean score is highest (4.75) for the satisfaction with nutrition and supplement products followed by medicines (4.50) from Patanjali. **(DeepaKapoor and Mona Chaudhary, 2017)**

**Research Methodology**

**Objectives of the Study**

- ToStudytheChallengesofRuralMarketinginIndia
- To identify the CorporateInitiatives andInnovationstoovercome Challengesof Rural Marketing in India.

**Research Methodology**

- Researcherhasextensivelyrelied onSecondarySourcesofData.
- ResearchislimitedtoIndia.

## Emerging Trends and Corporate Initiatives and Innovations in Rural Markets of India

### Understanding Rural Market of India

According to the Census of India, villages with clear surveyed boundaries not having a municipality, corporation or board, with density of population not more than 400 Sq. Km. and with at least 75 percent of the male working population engaged in agriculture and allied activities would qualify as rural. According to this definition, there are 5,85,764 villages in the country. Of these, only 0.5 percent have a population above 10,000, and 2 per cent have a population between 200 and 1000, and another 18 per cent has a population less than 200.

Interestingly, for FMCG and consumer durable companies, anyterritorythat has between 20,000 and 99,999 population, is rural market. So, for them, it is not rural India which is rural. According to them, it is the Class-II and III towns that are rural.

Accordingto thedatafrom theCensus of 2011,cities andtowns can bebroadlyclassified as:[3]

- Class I:100,000and above
- Class II:50,000to100,000people
- ClassIII:20,000to49,999
- Class IV:10,000to19,999
- Class V: 5,000 to 9,999
- ClassVI:Lessthan5,000persons

PopulationList

- >5,000,000-Megacity
- 1,000,000-4,999,999- Metropolis
- 500,000-999,999-Sub-Metropolis

According to the 2001 census, there are 4,378 towns and cities in India.Of these 35 are metropolitan cities (population of 1 million plus) that are included in the total of 393 Class Icities with population exceeding 1,00,000.Together they account for 108 million of the urban population of 285 million.The rest live in towns with population of less than 100,000 going down to just 5,000.

### Characteristics of the Indian Rural Market

### LargeandDiverse Market

TheIndianruralmarketislargeanddiverse.Therefore,thedensityofshopstomarketthe products is less when compared to the total population.

### Agriculture is the major source of Income

The main source of income of the rural people is agriculture. If crops fail, then their income gets affected automatically and this reduces their purchasing power.

**Traditional Outlook**

People in rural areas are traditional in their thinking; they are superstitious in theirbeliefs. This trend too is changing because of increasing literacy levels among the rural youth.

**Diverse Socioeconomic Background**

Rural consumers are spread across different states in distant parts of India. Thus, their social norms and economic status differs widely from each other.

**Change in Standard of Living**

Rural population has in general a low literacy rate, low per capita income and thus low savings. Many of the rural people's standards of living are below the poverty line and theyare also sociallybackward. There is, however, a change for the better on these fronts as a result of reduced tax structures, Government subsidies and favorable regulations on pricing of farmers produce. Thus, their disposable income is increasing slowly.

**Challenges and Opportunities of Rural Marketing in India**

While the urban economy thrives mainly on secondary and tertiary activities such as manufacturing and services, the rural economy is driven mainly by primary activities such as agriculture, fishing, and forestry.

In addition, the dispersed nature of the population, the inadequacyof physical infrastructure like roads, the weak banking system, limited availability of credit facilities, and problems of storage infrastructure are additional challenges for marketers. These challenges need innovative solutions.

**CorporateInitiativesandInnovationsinRuralMarketofIndia**

- **ITCissettingupe-Choupals,** whichoffersthefarmers alltheinformation,productsand services they need to enhance farm productivity, improve farm-gate price realization and cut transaction costs. Farmers can access latest local and global information on weather, scientific farming practices as well as market prices at the village itself through this web portal - all in Hindi. It also facilitates supply of high quality farm inputs as well as purchase of commodities at their doorstep.
- **Shakti is HLL's rural initiative.** It seeks to empower underprivileged women ofvillages with populations of 2000 or less by providing income-generating opportunities, health and hygiene education through the Shakti-Vani program, and creating access to relevant information through the i-Shakti community portal. Shakti is a pioneering effort from the private sector increating livelihoods for rural women. Started in 2001, Shakti has already been extended to about 50,000 villages in 12 states – Andhra Pradesh, Karnataka, Gujarat, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Uttar Pradesh, Orissa, Punjab, Rajasthan, Maharashtra and West Bengal (respective state governments and several NGOs are also actively involved in the initiative). For HLL, it is "enlightened self-interest"—creating opportunities to increase the rural family income; putting more moneyin their (rural people) hands to purchase the range of daily consumption products- from soaps to toothpastes-that HLL makes. It also enables HLL to access hitherto unexplored rural hinterlands. (Kamath, 2003).
- **Maruti**has been organizing road shows with film screenings. This is much like a travelling cinema that rural India is already quite familiar and fascinated with. The only difference being that the film is not set up in a tent, but inside a TATA truck fitted a Samsung LCD TV, an air

conditioner and reclining seats. The film strikes a chord with the villagers because it tells a simple story of an average villager who buys a Wagon R after being persuaded by a friend who also bought a Wagon R.

- **“ GaonChalo” by Tata Tea :** “GaonChalo” is a distinctive rural marketing initiative started in the year 2006 in Uttar Pradesh by Tata Tea. For penetrating the rural market, the company partnered withNGOs with wide reach among Uttar Pradesh’s rural masses. The “GaonChalo projecthas created employment opportunities to the youth of villages and small towns. It has brought steadyincome to those who aredistributors of Tata Tea. Tata Tea’s consolidated market shares from rural areas rose from 18% to 26.6%.
- **Mahindra-Leading Brand in Rural India :** After launching its Super Turbo 595 DI Tractor, Mahindra wanted to create awareness about its new technology and high efficiency to farmers and thereby sell the tractor. It, therefore, identified opinion leaders and progressive farmers and organized interactive discussions between the company (Mahindra) and its target audience (farmers and opinion leaders). It gave free test rides and thereby sold the tractor initially to opinion leaders. This marketing activity was carried out in Maharashtra, Haryana and Punjab. After using the tractor for a reasonable time period, the initial buyers were glad to have theproduct and expressedtheirpositiveword-of-mouth about thetractorto theirfriends, relatives and neighbors. This initiative has helped the company to a great extent.

**Table: Corporate Initiatives and Innovations in Rural Markets of India**

| Corporate Initiatives | Description |
|---|---|
| ITC's e-Choupal | Provides farmers with information, products, and services to enhance productivity and market access. |
| HUL's Project Shakti | \Empowers underprivileged women in villages by providing income-generating opportunities and health education. |
| Maruti's Road Shows | Organizes road shows with film screenings inside a TATA truck to promote vehicles. |
| Tata Tea's 'GaonChalo' | Partners with NGOs to penetrate rural markets, creating employment opportunities. |
| Nokia's Low-Cost Handsets | Targets rural consumers with affordable handsets and the 'Life Tools' subscription service. |
| Dabur-Indian Oil Partnership | Sells Dabur's products at IOC's KisanSevaKendras across India. |
| Airtel's Telecom Revolution | Offers affordable handsets and low-denomination recharge cards, spreading awareness through advertisements. |
| Mahindra's Tractor Marketing | Promotes tractors through interactive discussions and test rides with opinion leaders and farmers. |

**SWOT ANALYSIS OF RURAL MARKETING**
**STRENGTHS**

- According to National Council for Applied Economic Research (NCAER) survey the number ofmiddle and high income households in rural India is expected to grow from 80 million to 111 million by 2007. In urban India, the same is expected to grow from 46 million to 59 million. Thus, the absolute size of rural India is expected to be double that of urban India.
- There has been a phenomenal improvement in rural incomes and rural spending power. Successive good monsoon has led to dramatic boost in crop yields. Tax exemption on rural income too has been responsible for this enhanced rural purchasing power. (H.S Grewal "et al.", 2006)
- Rural consumers normally do not make brand discrimination but once induced to buy and use a product, he becomes loyal to the brand provided he is satisfied about its functional utility, such a loyal user may even make efforts to get the whole village use it. ( Gupta and Dr.sudan, 2003)
- Few business houses like Hindustan Lever, Lipton, ITC, Tatas, Coca-cola, LG etc are capitalizing the marketing opportunities in rural sector.
- A survey by NCAER shows that the rural market is growing faster than the urban market in several products. These include packaged tea, detergent powder, washing soap and detergent cake. Growth in motor cycles too has been more in rural market than the urban market.
- According to an NCAER survey, against seven consumer durables owned by urban households on an average, rural households own three. Rural India's market for consumer durables is estimated at Rs 4500 crore with an average annual growth rate of 8 per cent. (Ramaswamy and Namakumari, 2006)
- According to IMRB survey the rural market share is above 50% in respect of washing cakes, bathing soaps, batteries, razor blades, radios and bicycles. While for glucose powder, tea, torch lights, premium soaps and washing powders its share is 25% to 50% and it is 10% to 25% in respect of milk powder, antiseptic liquids, toothpaste, hair oils, tooth powder and talcum powder, etc. (Reddy, 1996)

**WEAKNESSES**

- About 62 percent of villages have a population below 1,000 and only 3 percentofthe villages above 5000. Most villages with less than 500 people do not have any shops. These characteristics point toward the complexities of distribution and logistics management.
- It is uneconomical to access a large number of small villages with a very low population density spread over a large geographic area. Factors such as limited physical access, low density of shops, limited storage facilities, need for a large number of intermediaries in the distribution channel to reach the end customers, and low capacity of intermediaries to invest in business (investments for keeping stock, storage facilities, vehicles for distribution) make the tasks of reaching rural consumers very complex.
- Usually rural consumers are price conscious and they purchase simple and low priced goods. Further, the brand loyalty is very low in rural areas. (kotler "et al." 2006)

- Adequate roads have not been developed in rural areas. Even today about 36% of the villages in the country do not have roads and over 65% of our villages are without an all-weather roads. Further, road conditions in rural areas is worst during rainy season.
- In rural areas, banking and credit facilities are not extensive. It is estimated that for every 16 villages there is one bank. Due to lack of credit facilities retailers in rural areas cannot carry adequate stocks and which, will in turn, affect consumer credit.
- There are communication problems with regard to the marketing information to the rural consumers. The level of literacy among rural people is low. Further, there are different languages in different areas. The low literacy and different languages pose problems in promotion and advertising of goods in rural areas. (Reddy, 1996)

**OPPORTUNITIES**

- The Indian rural market with its vast size offers a huge opportunity with 128 million households and the rural population is nearly three times the urban.RuralIndia has a large consuming class with 41 percent of India's middle-class and 58 percent of the total disposable income. (H.S Grewal "et al.", 2006)
- The increased income/ purchasing power of the rural consumer and the improved income distribution have enhanced rural demand for several products. Better access to many modern products/brands have added to this growth.
- The heat of competition in the urban market actually serves as the strong driver behind the growing interest of Corporates in the rural market. The fact that the rural market is still largely an untapped and virgin market and the fact that the early entrants can tap it without having to face intense competition as in the case of urban market, makes the rural market all the more attractive to them.
- In the FMCG category, half of the revenue of Hindustan Lever and Colgate comes from the rural market. It can also be seen that about one-fifth of Pharma sales occur in rural India. In respect of high-priced durables, about one fourth of the television sales happen in rural India; Kinetic sells about 30 per cent of its scooters, Toyota nearly half of its vehicles and Hero Honda 40 per cent of its bikes. (Ramaswamy and Namakumari, 2006)
- At the moment, radio transmission is available to almost 100 per cent villages while TV transmission covers about 87 per cent territory of the country. According to the national readership survey 2002 about 28.5 rural households in the country own T.V sets, and 34 per cent of TV homes also have cable connections.
- Contrary to the popular belief, the R-panel found that the rural demand is not overwhelmingly unbranded. In categories such as shaving products, toothpastes, toilet soaps, biscuits, the share of branded products is higher than the unbranded or local products.
- According to ORG-MARG data 90 per cent of all shampoo and about 65 per cent packaged tea sales in rural areas comes from sachets/small packs. (Panwar, 2004)

**THREATS**

- Rural demand is more seasonal compared to urban demand. The pre-dominance of agriculture in the income pattern is one main reason for this. The relatively greater influence of marriages and festivals on the purchase pattern is another.
- Besides being seasonal, rural demand is somewhat irregular as well. The pre-dominance of agriculture in the income pattern is again the main reason for this.
- The share of unbranded products is higher in necessity items, mainly foodproducts. (kotler "et al." 2006)

**Conclusion**

It is said that India lives in villages. Rural market with 70% of the total population of country offers opportunities and challenges for marketers. The opportunity is to tap vast rural market with right kind of product, price, place and promotion. The challenge is that majority of villages are thinly populated compelling marketers to think about innovative ways to reach rural consumers. Melas, Haats and self-help groups are one of the way to reach rural markets cost effectively.

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# INNOVATIVE STAGES OF ASSESSING THE FINANCIAL STABILITY OF ROAD CONSTRUCTION ORGANIZATIONS

**Raximov Dilshodjon**[1]

***ABSTRACT***

*This study examines novel methods for evaluating the financial soundness of road building companies, with an emphasis on Uzbekistan. Comparative analysis is included via the use of fictitious financial data from both local (UzRoadBuild, TashkentHighways, SamarkandInfra) and overseas (TurkYol Ltd, ChinaPath Inc) enterprises. Analysis is done on important financial metrics such debt levels, profitability, solvency, and liquidity. Digital dashboards, forecasting, and stress-testing frameworks are among the contemporary tools and techniques introduced in the research. Significant variations in financial structures across nations are shown by the findings, highlighting the need of a unique, creative framework for financial evaluation adapted to regional business environments.*

***Keywords:*** *Financial Stability, Road Construction, Uzbekistan, Liquidity, Solvency, Innovative Assessment, Global Comparison*

## Introduction

Road construction companies need to be financially stable in order to operate successfully and be sustainable over the long run, especially in emerging nations like Uzbekistan where infrastructure development is crucial to both regional connectivity and national economic growth. In order to modernize transportation networks and promote socioeconomic growth, the government has greatly boosted expenditure in the building and repair of roads and highways. Under these circumstances, construction companies' financial stability becomes essential for maintaining employment levels, controlling supplier chains, and guaranteeing the effective use of public monies in addition to meeting project deadlines and quality requirements. But the dynamic character of financial risks is becoming harder for conventional financial assessment models which are often based on static ratios and historical data to capture, particularly in unstable economic circumstances. External variables that may have a direct influence on building costs and profitability, such inflation, currency fluctuations, regulatory changes, and alterations in the price of commodities globally, may be ignored by these models.

This research offers a thorough framework with creative steps for assessing the financial soundness of road building companies in order to solve these issues. This framework employs a multifaceted methodology that encompasses organizational performance measurements, project-specific factors, and macroeconomic indicators. Additionally, it stresses the use of contemporary analytical techniques like financial modeling, risk simulation, and predictive analytics as well as the incorporation of worldwide benchmarking standards. Stakeholders, including contractors, investors, and government organizations, may improve financial resilience and guarantee the successful completion of infrastructure projects by using this method to make more informed choices.

[1] Researcher, Renaissance University of Education

## Methods

The suggested assessment methodology provides a thorough and multifaceted analysis of the financial stability of road construction companies by combining traditional financial indicators with contemporary analytical methods. The liquidity ratio, which gauges a company's capacity to meet short-term obligations; the solvency ratio, which shows long-term financial sustainability; the profit margin, which evaluates operational efficiency; the return on assets (ROA), which shows how well a business uses its assets to generate earnings; and the debt-to-equity ratio, which assesses the balance between borrowed funds and shareholders' equity, are some of the key traditional financial metrics used in the framework. These basic indicators are often used for comparative benchmarking both domestically and globally, and they form the cornerstone of financial analysis in construction companies. The data used in this research is synthetic yet meticulously designed to represent financial trends and industry-typical operational structures in order to replicate genuine industry performance. Five representative construction organizations were chosen for the benchmarking and cross-comparison process: ChinaPath Inc. from China, TurkeyYol Ltd. from Turkey, and UzRoadBuild, TashkentHighways, and SamarkandInfra from Uzbekistan. Finding the best practices, flaws, and strengths across various financial systems, regulatory environments, and management philosophies is made possible by the presence of both domestic and international firms.Modern analytical tools like predictive modeling, which forecasts future financial outcomes under various scenarios, stress-testing, which assesses organizational resilience under unfavorable economic conditions (such as inflation shocks, raw material price volatility, or project delays), and digital performance dashboards, which enable real-time financial monitoring and data visualization for strategic decision-making, are all incorporated into the framework to improve the accuracy and applicability of the financial assessments. These technologies provide investors, policymakers, and construction managers practical insights to control uncertainty and maximize financial performance, marking a transition from retrospective assessment to forward-looking risk management.

In addition to offering a thorough grasp of financial stability, the assessment framework's integration of conventional and contemporary methodologies facilitates the application of proactive financial strategies that are in line with the changing needs of the road construction sector in both developed and emerging markets.

## Results

The financial indicators for the five companies are summarized and visualized as follows:

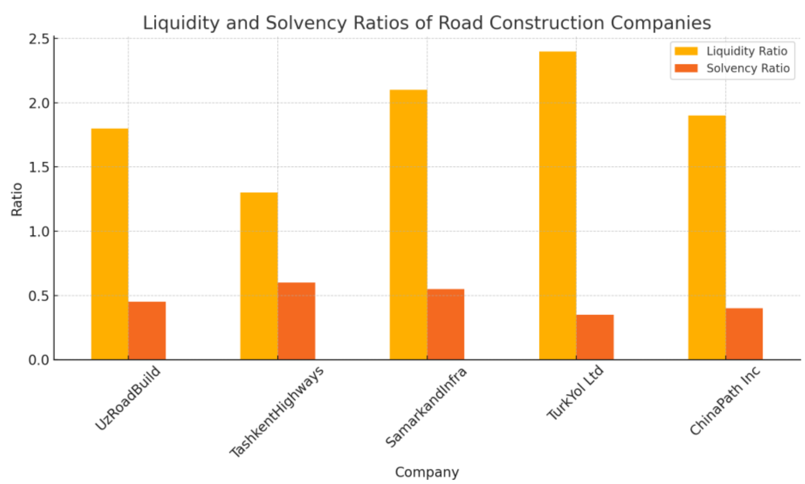

Figure 1. Liquidity and Solvency Ratios

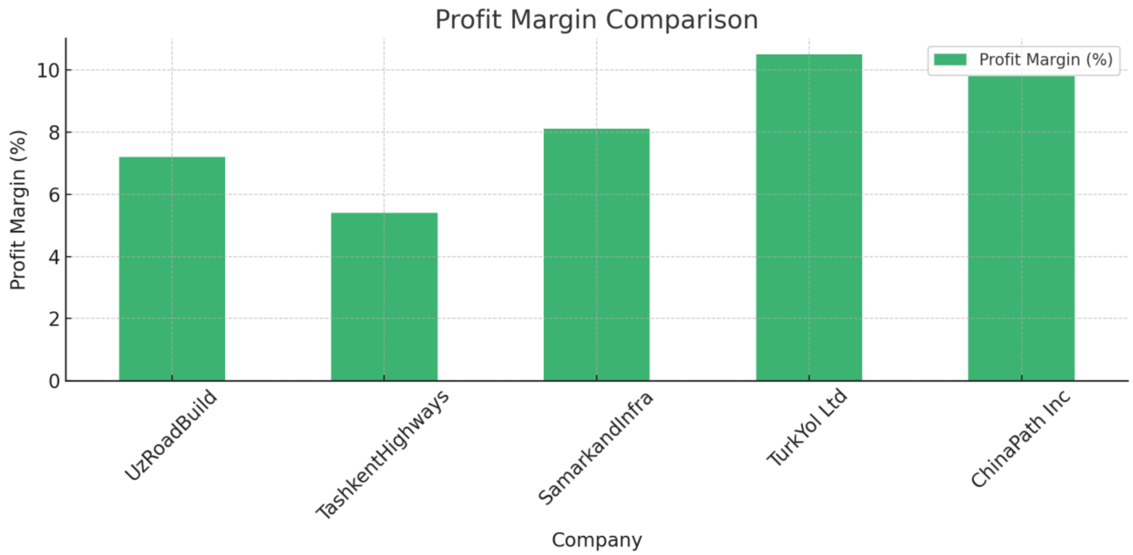


Figure 2. Profit Margin Comparison

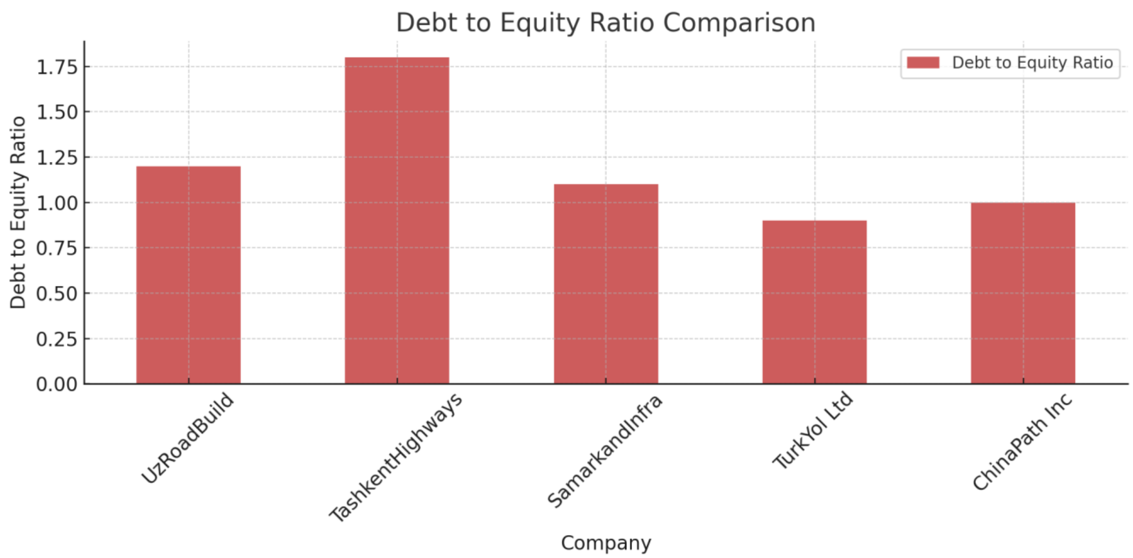


Figure 3. Debt-to-Equity Ratio Comparison

## Discussion

In contrast to their foreign counterparts, Uzbek businesses exhibit modest levels of liquidity and a greater dependence on debt financing, as can be shown from the comparative study of financial indicators. This trend can be the result of restricted access to stock markets, a lack of investment capital, or a propensity for debt-financed development tactics that are typical in emerging nations. On the other hand, ChinaPath Inc. and TurkYol Ltd. both have higher solvency ratios, which suggests more durable and balanced capital structures that can withstand shocks to the economy. Furthermore, these companies' larger profit margins and return on assets (ROA) imply that they run more effectively and reduce costs, which is probably aided by sophisticated financial management techniques and technology integration. The usage of real-time financial dashboards and digital forecasting tools by multinational corporations is one of the most obvious differentiators. These technologies facilitate evidence-based decision-making, early financial risk assessment, and dynamic financial planning and scenario analysis. Predictive analytics, for example, may forecast cash flow problems based on labor shortages or procurement delays, and dashboards provide stakeholders real-time access to important financial data across many projects and departments.

The potential for innovation in the Uzbek road building industry is shown by the success of such instruments at ChinaPath Inc. and TurkYol Ltd. Although local businesses encounter difficulties including inadequate internet infrastructure, legal restrictions, and shortages in staff training, these problems are not insurmountable. The competitiveness and financial resilience of domestic construction companies may really be greatly increased by adapting and localizing financial technology to fit Uzbekistan's particular legislative frameworks, business climate, and data availability. Furthermore, funding capacity-building initiatives and forming alliances with international businesses may promote information sharing and quicken the industry's shift to digital financial management procedures.

All things considered, the study's findings not only draw attention to performance gaps but also provide a strategic road map for development, promoting a hybrid strategy that combines conventional financial discipline with creative, technologically advanced solutions catered to regional conditions.

**Conclusion**

This research emphasizes how crucial it is for the road building industry to use cutting-edge financial evaluation methods, especially in light of quickly emerging countries like Uzbekistan. Maintaining the financial stability and operational effectiveness of construction companies becomes strategically significant as the government makes significant investments in national infrastructure to promote economic development and regional integration. Even if they are helpful, traditional evaluation techniques often fall short of capturing the intricacy and volatility of contemporary financial situations, particularly when impacted by changes in policy, inflation, and worldwide economic trends.

The suggested framework offers a more comprehensive and forward-looking approach to financial evaluation by fusing traditional financial metrics like liquidity ratios, debt-equity balance, profitability indicators, and asset returns with cutting-edge analytical tools like stress testing, predictive modeling, and interactive digital dashboards. Furthermore, using global best practices seen in Chinese and Turkish businesses offers insightful information on adaptive risk management techniques, real-time financial monitoring, and more efficient capital structure.

Stakeholders, including government agencies, investors, financial institutions, and project managers, may carry out methodical, stepped assessments that correspond with the lifetime of road building projects according to the staged methodology proposed in this research. The chance of cost overruns, project delays, or financial collapse is decreased by this approach, which also optimizes the allocation of public and private investment and enables early risk identification.

The results also support industry-wide digital transformation and policy-level assistance, highlighting the need of adapting contemporary technologies to Uzbekistan's distinct organizational, regulatory, and economic environment. Initiatives to increase capacity, international cooperation, and rewards for digital innovation might hasten the shift to more robust and open financial operations. In the end, this integrated strategy creates the groundwork for sustainable growth of vital infrastructure assets, increased investor trust, and long-term project profitability.

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# MECHANISM OF DEVELOPMENT OF INTERNATIONAL TOURISM IN ZARAFSHAN VALLEY IMPROVEMENT

**Sirliboev Vokhid Khairullaevich**[1]

***ABSTRACT***

*The article is devoted to the development of a mechanism for the integrated development of international tourism in the Samarkand, Bukhara and Navoi regions of Uzbekistan, which are part of the Zarafshan Valley. The "Non-governmental Center for the Development of International Tourism in the Zarafshan Valley" and the organizational structures and mechanisms of its operation are recommended.*

***Keywords-*** *Valley, Region, National Model, Area, Standard, Strategy, Concept, Method, Geography Of Tourism, Recreation.*

## I. INTRODUCTION

An analysis of scientific literature on the development of tourism in our country shows that currently, the processes of forming and improving a national tourism model are ongoing in the Republic of Uzbekistan. This model should demonstrate that the national tourism market being developed in the country, like any other market, has a positive impact on the socio-political and economic situation of the country.

If the state does not deal with the issues of professional, highly qualified specialists in tourism, the protection of the natural and cultural environment, information and advertising work, and the requirements for simplifying formalities, tourism will not be able to achieve the expected levels of development. Therefore, it is of great importance for the state to develop tourism, form a market for tourist services, reform methods and mechanisms of economic regulation, improve the organizational management structures of tourism, increase its export potential, and, most importantly, develop methodological and practical approaches to the conditions for attracting foreign investment.

## II. LITERATURE REVIEW

Currently, market relations have created quite difficult conditions for tourism in the Republic of Uzbekistan. There is a need to improve the tourism system and develop private, practical, economic mechanisms that differ from centralized mechanisms for managing tourism.

The basis for finding solutions to the above-mentioned urgent problems is the Decree of the President of the Republic of Uzbekistan Shavkat Mirziyoyev dated December 2, 2016 No. PF-4861 "On measures to ensure the accelerated development of the tourism sector of the Republic of Uzbekistan", which creates favorable conditions for the development of tourism in our country, including international tourism. The Presidential Decree[1.2] states:

-"Rapid development of tourism in the country, more complete and effective use of the existing huge tourism potential:

1 *Independent Researcher of the Samarkand Institute of Economics and Service. Uzbekistan*. *e-mail:*

*-Development of tourism industry facilities in all regions of the republic that meet modern world standards and the demands and needs of tourists* ;

The decree is aimed at ensuring the rapid development of the tourism network, giving tourism the status of a strategic sector of the economy, turning it into a powerful tool for sustainable growth of the country's economy, effective use of tourism potential in the regions, and strengthening the role of tourism in improving the living standards and quality of the population.

Many scientific studies have been conducted in Uzbekistan on the development of national tourism, and new studies are also being conducted. However, the scientific and practical studies carried out so far have mostly been carried out within the borders of the regions. These studies also cover issues related to the development of domestic tourism in our country[8.7.4.6.5.]. Important studies on the development of international tourism have also been carried out in Uzbekistan[12.9.10.11]. The continuation of these studies in large regions of our country is among the urgent issues.

## III. RESEARCH METHODOLOGY

We used methods of logical analysis and synthesis, economic, logical, scientific abstraction, comparative analysis, monographic research, study in dynamics, data grouping, induction and deduction, statistical methods in the research.

## IV. ANALYSIS AND RESULTS

Organizational and economic mechanisms for the creation of international tourism development centers in the Zarafshan Valley should be developed based on the following 2 sources :

1. Development of international tourism in the Zarafshon Valley based on the concept;

2. Based on methods of international tourism development and modern experiences in them.

Currently, the most commonly used methods for organizing tourism centers in the world are the following[3]:

***Method of evaluation of the tourism area.*** The requirements of this method are as follows:

- Evaluation of the tourist object (evaluation of natural complexes, their components and features);
- Separation of the subject of assessment (type of tourism, cycle of recreational activities, levels of vacationers, assessment of use loads);
- Researching the specifics of evaluation (in international and domestic tourism);

***Medical biological assessment.*** This assessment method studies the degree of influence of climatic conditions on humans, the advantages and disadvantages of natural climatic conditions. The healing and health-improving properties of one or more natural resources are determined. This method of tourism geography is most often used in the creation of health centers and resorts.

***Spiritual aesthetic method.*** In this method, it is studied that unique views in nature, landscapes (mountain gorges, lakes, springs, natural museums and sculptures, rare species of animals, etc.) are of interest to tourists.

***Technological assessment method.*** In this method of tourism geography, when organizing newly created tourist centers, firstly, the possibility or potential of using these places for tourist purposes is studied, and secondly, the degree of technological use of these places is studied.

***Social survey method.*** In this method of tourism geography, when creating new tourist centers, questionnaires are distributed among the population through the media, television and radio broadcasts, the responses are analyzed, and conclusions are drawn.

***Mapping method.***

- develops advertising, movement and use maps for tourists and excursionists;
- develops maps for the development of tourism centers in the country and its territories.

We present the possibilities of organizing an international tourism development center in the Zarafshan Valley according to the mentioned methods:

***the preliminary evaluation method*** , *the valley has the resources of international tourism, historical-cultural, international pilgrimage, ecotourism and national heritage tourism.*

According to ***the medical biological evaluation method*** **-** *the degree of influence of climatic conditions on humans is not dangerous, natural climatic conditions for international tourists are favorable during the period of March-October, and unfavorable during the winter season - during the period of November-February. In the valley there are health sanatoriums, healing springs, healing mud and healing medicinal plants* .

According to ***the spiritual aesthetic method*** - *there are 3 state nature reserves, 6 state nature reserves, 1 national park, unique landscapes (mountain gorges, lakes, springs, nature museums and sculptures, rare animal species) in the Zarafshan Valley.*

According to ***the technological assessment method ,*** *all the resources of international tourism in the Zarafshan Valley have the potential to be used in international tourism. Secondly, the areas and locations of the resources where international tourism resources are located meet all technological requirements.*

***the social survey method*** - *in the Zarafshan Valley The non-governmental center for the development of international tourism may periodically conduct social survey research as necessary.*

***According to the mapping method*** - *A map of international tourism resources in the Zarafshan Valley has not been compiled. Research and organizational work are being conducted in this direction.*

Based on the concept of international tourism development in the Zarafshan Valley, the organizational and economic structure of international tourism development centers can be developed from the point of view of using the resources of 1st historical and cultural tourism, 2nd pilgrimage tourism, 3rd ecotourism, 4th national heritage tourism as the main goal of tourism (Figure 1).

1. The State Committee for Tourism Development in Uzbekistan will officially register the "*Non-governmental Center for the Development of International Tourism in the Zarafshan Valley"* and provide comprehensive assistance and guidance on the development of international tourism, based on the legal and regulatory documents of our state.

*2. "Non-governmental Center for the Development of International Tourism in the Zarafshan Valley" - will submit proposals for initiatives and economic cooperation on the development of international tourism in the Zarafshan Valley* to the branches of the State Committee for the Development of Tourism of Uzbekistan in Samarkand, Bukhara and Navoi regions, as well as to travel companies and tourist organizations engaged in international tourism in all three regions, and will establish the “Administrative Management of the Center” office.

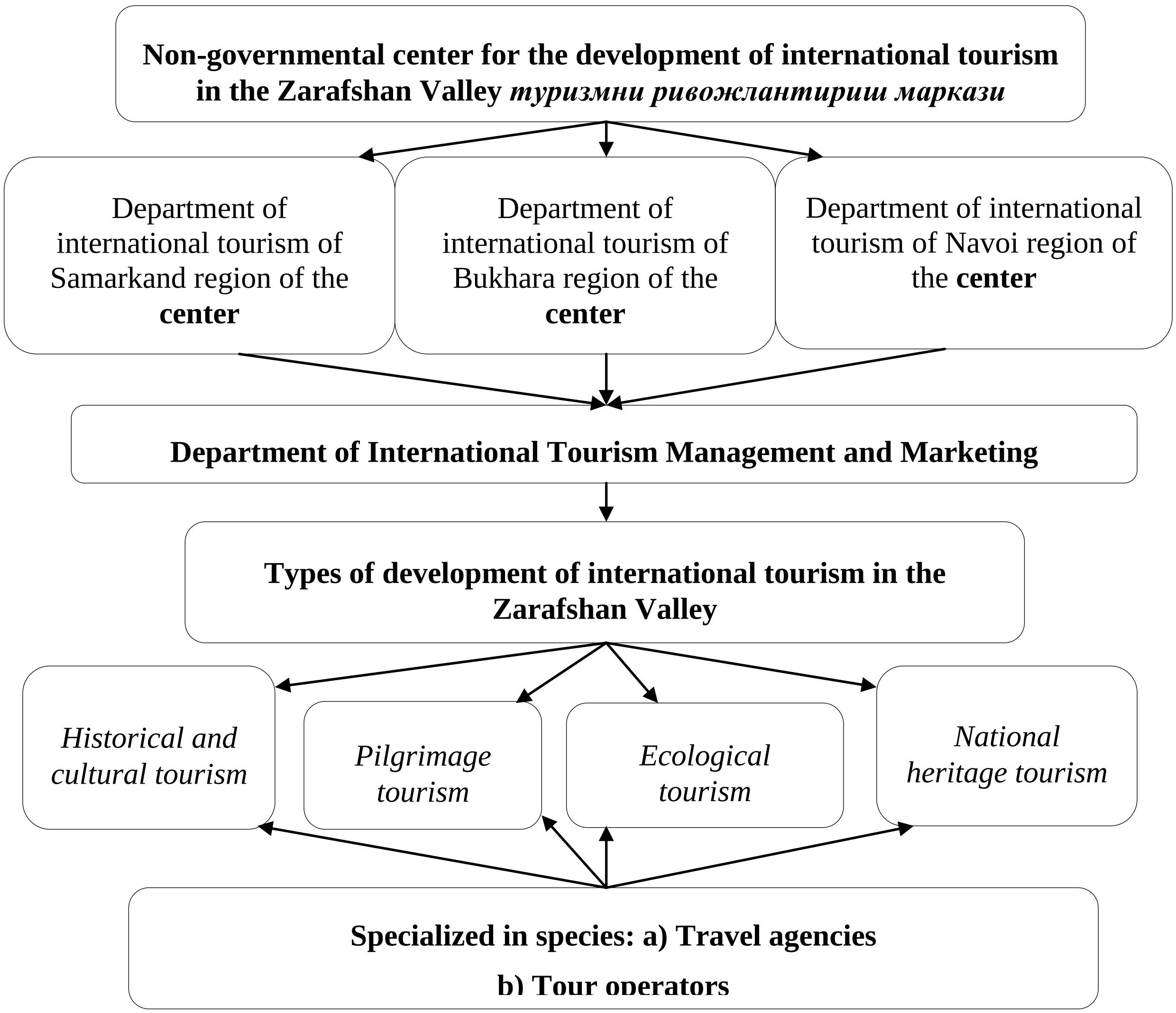


**Figure 1. Development of international tourism in Zarafshan Valley**

**the structural structure of the non-governmental center**

3. The Center develops strategic plans for the development of international tourism in the Zarafshan Valley. Based on the experiences of European countries with developed international tourism, *"Non-governmental Center for the Development of International Tourism in the Zarafshan Valley" will* initially establish *"International Tourism Management" and "International Tourism Marketing" departments within its structure.*

Employees of these departments begin their work by studying advanced technologies, models and practices in international tourism management and marketing. These two departments are responsible for: selection and training of personnel for the development of international tourism in Valley 1; 2. in the development of international tourism, identifying promising types of tourism, determining the resources of these types and preparing definitions and descriptions, identifying development problems, developing solutions to these problems, creating development strategies: 3- training tour operators by types based on the requirements of international tourism: 4- knowing the issues of bringing international tourism services to the level of world tourism requirements.

*4. "Non-governmental center for the development of international tourism in the Zarafshan Valley"* appoints its representatives for international tourism in Samarkand, Bukhara and Navoi regions.

5. The representatives of the center in Samarkand, Bukhara and Navoi regions monitor the international tourism process in their regions, trends in the types of international tourism, statistics, problems, information and constantly report to the center.

## V. CONCLUSION/RECOMMENDATIONS

According to our conclusions based on the results of the conducted research, one of the most important issues in the development of international tourism in the regions of the Zarafshan Valley is the organization of voluntary initiative cooperation in these regions. This cooperation will work together with the administrative management in the regions. Working in this framework will create the basis for the emergence of new initiatives in the development of international tourism in the regions, encourage the adoption of independent plans and decisions.

The organization of the “Non-governmental Center for the Development of International Tourism in the Zarafshan Valley” in the development of international tourism in the Zarafshan Valley will serve as the main organizational and management structure for the effective development of international tourism in the Samarkand, Bukhara and Navoi regions of the valley. It will create the basis for the restoration of previous economic structures in the Zarafshan Valley economic region, strengthen initiative efforts in the development of international tourism.

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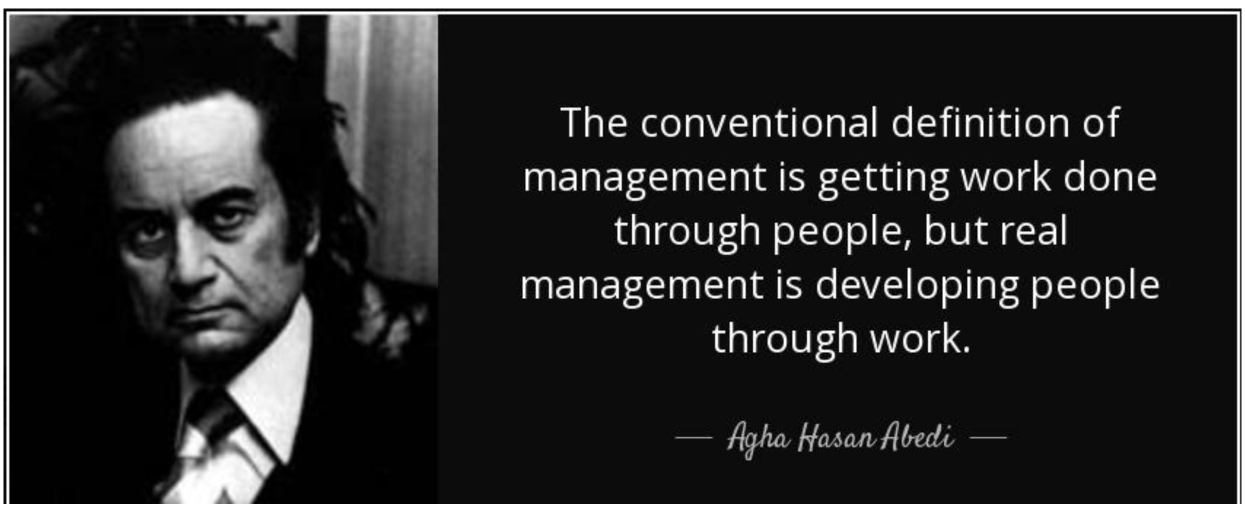

# INSTITUTIONAL AND ECONOMIC FACTORS OF DEVELOPMENT OF THE CRAFTS SECTOR IN THE NAMANGAN REGION OF UZBEKISTAN

**Azizova Rohila Bahodir qizi**[1]

***ABSTRACT***

*The article examines institutional and economic factors influencing the development of the handicraft sector in the Namangan region of Uzbekistan. Particular attention is paid to the state policy of supporting women's entrepreneurship, the introduction of international standards in the jewelry industry and the formation of the export potential of handicraft production. Based on the analysis of regulatory acts, statistical data and empirical sources, practical recommendations are proposed to improve the mechanisms for supporting handicrafts and increase their sustainability.*

***Keywords:*** *Crafts, Women's Entrepreneurship, Jewelry Industry, Kimberley Process , Export, Regional Development, Namangan.*

## Introduction

In the context of global economic transformations and growing demand for inclusive and sustainable development models, traditional industries such as handicrafts are acquiring new importance. Handicraft production, based on cultural heritage and local entrepreneurship, is seen as an effective tool for reducing poverty, increasing employment and stimulating local economic growth, especially in developing countries.

Uzbekistan, which has rich traditions of folk crafts, currently demonstrates a consistent state policy to revive and modernize the craft sector. Particular attention is paid to the integration of craft production into the regional economy, the involvement of women in entrepreneurial activity, the expansion of export potential and the creation of institutional conditions to support small businesses.

The Namangan region stands out as one of the most dynamically developing regions in the field of handicrafts. Thanks to state support, subsidy mechanisms, the introduction of business incubators, as well as targeted programs for training personnel and expanding women's entrepreneurship in the handicraft industries, the region has seen a steady increase in the number of artisans. As of 2024, more than 4,200 craftsmen were registered in the region, of which about 39% were women. Considerable attention is also paid to the development of new handicraft areas, in particular jewelry, where it is planned to introduce international certification standards, such as the Kimberley Process [1 ].

Despite the positive dynamics, the sector faces a number of systemic challenges: limited access to international markets, weak representation in global value chains, lack of production infrastructure and gaps in institutional coordination. These factors require a comprehensive scientific analysis and the development of proposals to improve public policy to support the craft sector.

The purpose of this study is to identify institutional and economic factors that determine the development trajectory of the handicraft sector in the Namangan region. The paper examines the conditions and mechanisms of state support, the role of human capital, the importance of innovative models, as well as the potential for export activity and the involvement of women in entrepreneurship. The results obtained will

[1] Namangan State Technical University, Doctoral student of the Department of Marketing

allow us to offer comprehensive recommendations for increasing the sustainability and competitiveness of the handicraft sector in the region [2 ].

**Literature Review**

The development of the handicraft sector in emerging economies has attracted the attention of researchers, policymakers and international organizations in recent decades. As H. Richardson notes, handicrafts not only preserve cultural heritage, but also act as a catalyst for sustainable local economic growth by engaging low-income groups in productive economic activity. According to M. Amartya Sen, handicrafts are a form of “economic freedom” that allows people to participate in high-value-added, low-barrier production.

Scientific research emphasizes the importance of the institutional environment in the development of the handicraft sector. In particular, according to D. North , the effectiveness of formal and informal institutions determines the scale of the population's involvement in entrepreneurship. In the context of Central Asian countries, this is especially important, since institutional barriers - such as excessive regulation , limited access to financial resources and weak legal protection - often hinder the growth of handicraft production.

According to the ADB analysis (2022), there is a positive trend in the development of women's entrepreneurship in the crafts sector in Uzbekistan, which is explained by the active implementation of microcredit programs, the creation of business incubators and crafts centers. A similar conclusion is contained in the work of M. McKenzie and D. Woodruff , which emphasizes the importance of targeted programs for training and support of aspiring entrepreneurs, especially in regions with low employment.

The development of jewelry crafts in developing economies deserves special attention in modern literature. In the research of J. Smith et al . emphasis is placed on the need to comply with international certification standards, in particular the Kimberley Process, as a mechanism for legalizing and increasing confidence in jewelry products. This practice is successfully used in India and the countries of Southeast Asia, where the handicraft sector of the jewelry industry makes up a significant part of exports.

In Uzbekistan, issues of institutional support for artisans, including women and youth, are covered in detail in the works of A. Abdullaev and F. Karimov, as well as in the annual reports of the Chamber of Commerce and Industry. They indicate that with the presence of state support mechanisms (subsidies, training, consultations) and the removal of administrative barriers, handicrafts can become a driver of economic growth in the regions.

Thus, the analysis of existing literature shows that the key factors for sustainable development of the handicraft sector are: the presence of a favorable institutional environment,

a) access to financial and educational resources,
b) active participation of women and youth,
c) integration into international markets and standards.

However, current research rarely focuses on regional specifics, in particular on the experience of the Namangan region. This determines the scientific novelty of this article, aimed at identifying unique drivers of development of the handicraft sector of the region with an emphasis on women's entrepreneurship and the jewelry industry [1-4 ].

**Research Methodology**

This study is of an applied nature and is based on an interdisciplinary approach combining methods of institutional analysis, regional economics and sociological research. The purpose of the methodological design was to identify key factors contributing to the development of the handicraft sector in the Namangan region, with a special emphasis on institutional conditions, gender aspects and the export potential of the jewelry sector.

The study is based on the following methodological principles:

The principle of systemicity, which allows us to consider the craft sector as an integral part of the regional socio-economic system;

The principle of complexity, which involves the analysis of the interaction of institutional, economic and socio-cultural factors;

The principle of comparative analysis, which provides a comparison of the dynamics and structure of the handicraft sector in the Namangan region with other regions of Uzbekistan and examples from countries with a similar economic structure (India, Tajikistan, Turkey).

sustainable development of the handicraft sector in the Namangan region. The analysis showed that state policy aimed at stimulating entrepreneurship, integrating artisans into the small business support system and involving women in production processes ensures positive growth dynamics for the sector as a whole.

Since 2021, Uzbekistan has seen a consistent simplification of procedures for running a small business, including in the handicraft industries. According to the Chamber of Commerce and Industry of the Namangan Region, more than 60 program measures were implemented in 2023–2024 to develop handicraft entrepreneurship. In particular :

1) 1987 people were trained in business incubators;
2) 700 small businesses received assistance in obtaining credit and leasing resources;
3) 1000 individual business plans were developed.

Women play a key role in the region's handicrafts. Of the 4,221 registered artisans, 1,644 are women (39%). The proportion of women is particularly high in the areas of weaving, embroidery, ceramics and jewelry.

Usta-Shogird program contributed to the creation of 7,159 new jobs in 2023, of which 4,156 (58%) were for female shogirds . Thus, handicrafts are becoming not only an economic but also a social tool for women empowerment in the region.

**Table 1 – Participation of women in handicrafts by districts of the Namangan region (2024)**

| District | Number of registered artisans | Main directions |
|---|---|---|
| Chustsky | 158 | ceramics, jewelry |
| Chartaksky | 85 | weaving, embroidery |
| Namangan | 73 | sewing business |
| Kosonsoy | 44 | carpet weaving |
| Uchkurgon | 89 | artistic wood processing |
| Turaqurgon | 49 | jewelry |

The jewelry craft in the Namangan region has moved to a new level of development. In 2024, the process of joining the region to the international certification system - Kimberley - was launched Process , which became possible thanks to the launch of a public-private project with the participation of the company " Gavhar Jewel Group "[6 ].

In the long term, the implementation of this initiative will ensure the production of locally produced diamonds, which was previously only observed in Southeast Asian countries (for example, India).

According to the Khokimiyat of Namangan Region, in January–February 2024, jobs were provided for 4,559 people through entrepreneurship support programs , of which:

a) 3697 - in the service sector;

b) 779 - in the agricultural sector;

c) 143 - in construction.

178 projects received 113 billion soums of financial support;

via " Businessga" birinchi 80 billion soums were issued microloans .

Thus, the development of the handicraft sector in the Namangan region demonstrates positive trends, especially in the direction of women's entrepreneurship and the jewelry industry. However, to achieve sustainability and increase export potential, further improvement of the support system, the formation of export clusters and international certification of products are required.

**Political implications and recommendations**

The results of the study confirm that the development of the handicraft sector in the Namangan region is largely determined by the effectiveness of institutional support, adaptation to the requirements of international markets and the involvement of vulnerable groups, in particular women and youth. Based on the analysis, a number of recommendations can be identified aimed at increasing the sustainability, competitiveness and export potential of the handicraft entrepreneurship in the region.

Developing a balanced policy in the field of handicrafts requires coordination between government agencies, educational institutions, the private sector and international partners. Only a comprehensive approach will ensure the sustainable development of traditional industries, their integration into global chains and transformation into a source of long-term growth of the regional economy.

**Conclusion**

The craft sector of the Namangan region demonstrates stable positive dynamics, due to a combination of institutional, economic and social factors. The conducted study confirmed that state support aimed at creating a favorable business environment, forming infrastructure for small businesses and introducing international standards, played a key role in expanding craft production and increasing its contribution to the regional economy.

The development of women's entrepreneurship in the craft sector is of particular importance in modern conditions. It not only contributes to the growth of employment and income of the population, but also strengthens social sustainability, stimulating the participation of women in the economic life of the region. An important strategic direction is the development of the jewelry industry and integration into international certification systems, such as Kimberley Process , which opens up new export opportunities and creates conditions for the transition to the production of products with high added value.

However, the limitations identified during the analysis — weak digitalization , limited exports, insufficient institutional support — require targeted efforts from the state, private sector and international partners. Only in the context of intersectoral interaction is it possible to build a full-fledged ecosystem of craft entrepreneurship capable of ensuring sustainable growth, inclusiveness and integration into the global economy.

The scientific novelty of this study lies in identifying regional features of the development of the craft sector, as well as in the formation of a system of recommendations aimed at increasing its efficiency in the context of economic transformation. Promising areas for further research are the analysis of the sustainability of business models of craft cooperatives, assessment of the impact of digitalization programs and the development of indicators of social entrepreneurship in the craft sector.

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# INCREASING PRODUCTION EFFICIENCY IN THE LIVESTOCK SECTOR IN THE DIGITAL ECONOMY

**Yadgarov Akram Akbarovish[1], Azizbek Rakhimov Soliyevich[2]**

***ABSTRACT***

*The demand for sustainable and efficient livestock nutrition continues to rise in response to global population growth and the increasing need for animal-based products. However, high feed costs and fluctuating raw material availability challenge the economic viability of livestock farming. This study explores innovative strategies for developing high-quality yet cost-effective feed solutions to improve livestock productivity without compromising nutritional value. We examine various alternative feed ingredients, including agricultural by-products, insect proteins, and locally sourced materials, which demonstrate potential to reduce reliance on expensive traditional feedstocks. Additionally, we analyze the impact of these alternative feeds on animal health, growth performance, and overall production efficiency. Our findings suggest that adopting these novel feeding approaches can not only enhance livestock nutrition but also significantly reduce costs for farmers. By integrating these strategies, the livestock industry can achieve a more sustainable and economically viable future.*

***Keywords:*** *Livestock Nutrition, Cost-Effective Feed, Sustainable Agriculture, Alternative Feed Ingredients, Animal Productivity, Feed Formulation, Agricultural By-Products.*

## Introduction

The livestock industry plays a crucial role in meeting the growing global demand for animal-based products, such as meat, milk, and eggs. However, the sector faces significant challenges, particularly in ensuring the availability of high-quality feed at an affordable cost. Feed typically accounts for up to 60-70% of the total cost of livestock production, making it a major factor in determining the economic viability of farming operations [1, 2, 3]. With the rising costs of traditional feed ingredients, such as grains and soy, coupled with environmental concerns over resource-intensive farming practices, there is an urgent need to explore alternative, cost-effective feed solutions that do not compromise animal health or productivity [4, 5].

The quality of feed directly influences livestock growth, reproductive performance, and overall health, which in turn affects the profitability of livestock farming. Therefore, any reduction in feed costs must be achieved without sacrificing the nutritional value required to sustain high levels of production. Recent research highlights the potential of innovative feed ingredients, such as agricultural by-products, insect protein, algae, and locally sourced materials, as viable alternatives to traditional feeds. These alternatives not only offer the potential for cost savings but also align with the growing emphasis on sustainable and environmentally friendly agricultural practices [6].

In this article, we investigate various high-quality and cost-effective feed options that could provide livestock farmers with practical solutions to enhance productivity while reducing their dependence on

[1] Tashkent State University of Economics, Islam Karimov Street 49, Tashkent, Uzbekistan

[2] International School of Finance Technology and Science

expensive, resource-intensive feed ingredients. Through an evaluation of alternative feed sources and their impact on animal health and performance, we aim to identify strategies that support both economic efficiency and sustainability in livestock production [7].

**Purpose of the Research**

The primary purpose of this research is to explore and evaluate high-quality, cost-effective alternatives to traditional livestock feed that can support sustainable livestock production. With rising feed costs posing a challenge to the economic viability of farming, this study seeks to identify feed ingredients that are both nutritionally adequate and affordable. The focus is on developing feed formulations that maximize livestock productivity while minimizing environmental impact and financial burden on farmers.

Specifically, this research aims to:

Investigate alternative feed ingredients, such as agricultural by-products, insect protein, and other non-traditional sources, for their potential to replace or supplement conventional feed.

Assess the nutritional quality and digestibility of these alternative feeds in comparison to traditional livestock feed formulations. Analyze the impact of cost-effective feed solutions on livestock health, growth performance, and production outcomes. Evaluate the economic feasibility of adopting these alternative feed strategies in real-world farming practices.

Propose sustainable solutions that can reduce dependence on resource-intensive feed ingredients and contribute to the long-term sustainability of the livestock sector. By addressing these objectives, the research aims to offer practical recommendations for improving the efficiency and sustainability of livestock nutrition.

**Materials and Methods**

In this study, various materials were selected to explore cost-effective and sustainable feed alternatives for livestock nutrition. The materials were chosen based on their availability, nutritional profile, and potential to reduce feed costs while maintaining livestock productivity. The key materials used in this research include:

Agricultural By-products:

Rice bran: A by-product of rice milling, rich in fat, fiber, and essential nutrients.

Wheat middlings: A co-product of wheat milling, containing protein, fiber, and minerals.

Soybean meal by-products: Residuals from oil extraction, high in protein content and commonly used in animal feed.

Distillers' grains: A co-product of ethanol production, high in protein and fiber, often used as a supplement in livestock feed.

Insect Protein Sources:

Black soldier fly larvae (BSFL): Known for their high protein content and rich amino acid profile, black soldier fly larvae are an emerging alternative to conventional protein sources in animal feed.

Mealworms: Another protein-rich insect source with a favorable amino acid composition for livestock growth.

Locally Sourced Forage:

Alfalfa: A nutrient-dense forage crop used as a protein-rich feed ingredient in ruminant diets.

Sorghum: A drought-resistant grain, providing a valuable energy source for livestock, often used in areas with limited water resources.

Marine-based Ingredients:

Spirulina: A microalgae known for its high protein content and digestibility.

Fish meal by-products: A valuable source of essential fatty acids and high-quality protein derived from fish processing waste.

Supplements and Additives:

Vitamins and minerals: Essential micronutrients added to ensure the balanced nutritional requirements of livestock are met.

Probiotics and enzymes: Supplements included to enhance feed digestibility and improve gut health, boosting nutrient absorption in animals.

Each material was evaluated for its nutritional composition, digestibility, and cost-effectiveness compared to conventional feed ingredients. By utilizing these diverse materials, the study aims to develop feed formulations that are both high in quality and economically feasible for farmers.

This research employed a combination of experimental and analytical methods to evaluate the nutritional quality, digestibility, and cost-effectiveness of alternative feed ingredients for livestock. The following steps were taken to conduct the study:

**1. Feed Formulation**

Different feed formulations were developed using the selected materials, including agricultural by-products, insect protein sources, locally sourced forages, and marine-based ingredients.

The formulations were designed to meet the nutritional requirements of the livestock species under study (e.g., cattle, poultry, or swine) based on established standards for protein, energy, vitamins, and minerals.

Control feed diets were formulated using conventional ingredients such as maize, soybean meal, and commercial supplements for comparison with the alternative feed formulations.

**2. Nutritional Analysis**

The feed ingredients and formulations were subjected to proximate analysis to determine their nutritional composition, including:

Crude protein

Crude fiber

Ether extract (fat content)

Ash content (minerals)

Nitrogen-free extract (carbohydrates)

Additional testing was conducted to measure the content of essential amino acids, fatty acids, and micronutrients in each feed formulation.

**3. In Vivo Digestibility Trials**

Animal selection: A representative sample of livestock (e.g., 30 cattle, 50 poultry) was selected for the trials, ensuring uniformity in age, weight, and health status across experimental groups.

Randomized control design: The animals were randomly divided into two groups: one group fed the conventional control diet, and the other fed the alternative feed formulations.

Duration: The feeding trials were conducted over a period of 8-12 weeks, allowing for adequate observation of growth performance and health outcomes.

Data collection: Throughout the trial, data were collected on feed intake, weight gain, feed conversion ratio (FCR), and health indicators (e.g., blood parameters, fecal consistency).

**4. Growth Performance Evaluation**

The growth performance of the livestock was assessed by measuring:

Daily weight gain (DWG): Calculated as the difference in body weight over the trial period divided by the number of days.

Feed conversion ratio (FCR): The amount of feed required to produce one kilogram of weight gain, a key indicator of feed efficiency.

Health and productivity markers: Health parameters such as immune response, incidence of diseases, and general well-being were monitored and compared across experimental groups.

**5. Economic Analysis**

The cost of each feed formulation was calculated by analyzing the cost of raw materials and the production process.

A cost-benefit analysis was performed to compare the economic efficiency of alternative feed formulations with conventional feed. Key metrics included:

Cost per kilogram of feed

Cost per kilogram of weight gain

Total feed cost savings for farmers using alternative feed options.

**6. Statistical Analysis**

The collected data were statistically analyzed using ANOVA (Analysis of Variance) to determine significant differences between the control and experimental groups in terms of growth performance, feed efficiency, and health outcomes.

Post-hoc tests were conducted to identify specific differences between groups when significant effects were found.

**Results**

Results were expressed as means ± standard deviation (SD), with a significance level set at $p < 0.05$.

The results of this study provide valuable insights into the effectiveness of alternative feed ingredients in improving livestock nutrition while reducing overall feed costs. The key findings are presented below.

1. Nutritional Composition of Feed Formulations

The proximate analysis revealed that the alternative feed formulations, particularly those containing agricultural by-products and insect protein sources, were comparable in nutritional value to the conventional control diets.

Crude protein content was significantly higher in feed formulations containing black soldier fly larvae (BSFL) and fish meal by-products (22-25%) compared to traditional soybean-based diets (18-20%) (Fig.1).

Crude fiber levels were within acceptable limits for ruminant animals, with rice bran and alfalfa contributing significantly to dietary fiber intake.

Fat content was elevated in diets containing BSFL and mealworms, which could enhance energy density in feed, particularly for poultry and swine.

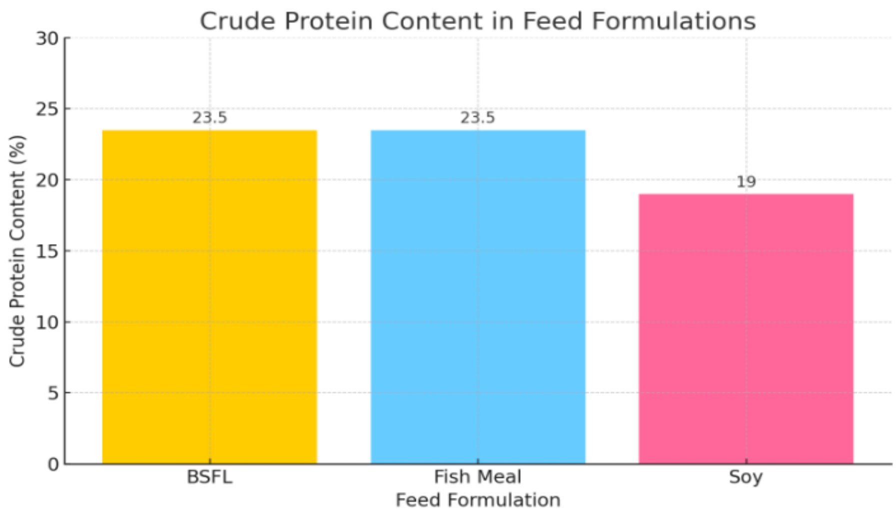


Fig.1.

**2. Growth Performance and Feed Efficiency**

Livestock fed with alternative feed formulations exhibited comparable or improved growth rates relative to those on conventional diets.

Daily weight gain (DWG) for animals on insect-protein-based diets was significantly higher ($p < 0.05$), with an average gain of 0.95 kg/day in cattle and 70 g/day in poultry, compared to 0.88 kg/day and 65 g/day, respectively, in the control group (Fig.2).

Feed conversion ratio (FCR) improved across all experimental groups, particularly for diets with insect protein sources. Cattle fed BSFL-based diets achieved an FCR of 6.5:1, compared to 7.2:1 for the control diet.

The inclusion of distiller's grains and wheat middlings in ruminant diets resulted in slightly lower DWG but was still within acceptable performance ranges, with an FCR of 7.0:1.

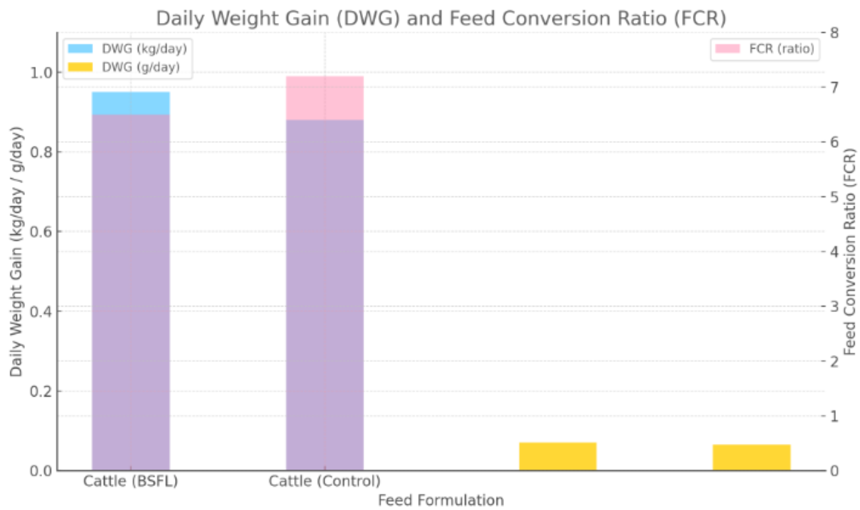


Fig.2.

### 3. Health and Productivity Indicators

No significant differences were observed in the general health of livestock between the experimental and control groups. Blood analysis showed stable levels of key biomarkers (e.g., glucose, protein, and white blood cell counts), indicating that the alternative feeds did not compromise animal health.

Fecal consistency remained within normal ranges for all animals, and no digestive issues were reported in the groups fed on high-fiber agricultural by-products like rice bran or wheat middlings (Table 1, Fig.3).

Animals fed with marine-based supplements, such as spirulina and fish meal by-products, showed a slight improvement in immune function, with a lower incidence of minor illnesses over the course of the trial ($p < 0.05$).

**Table 1**

| Weeks | Glucose (mg/dL) | Protein (g/dL) | Leukocytes (thousands/μL) |
|---|---|---|---|
| 1 | 90 | 6.5 | 7.0 |
| 2 | 92 | 6.7 | 6.8 |
| 3 | 89 | 6.6 | 7.2 |
| 4 | 91 | 6.8 | 7.1 |
| 5 | 90 | 6.9 | 6.9 |
| 6 | 88 | 7.0 | 7.0 |

Glucose Levels: Ranged from 88 to 92 mg/dL.

Protein Levels: Ranged from 6.5 to 7.0 g/dL.

Leukocyte Counts: Ranged from 6.8 to 7.2 thousands/μL

**4. Cost Analysis**

The economic analysis demonstrated substantial cost savings for farmers adopting alternative feed formulations:

Cost per kilogram of feed was reduced by 15-25% in formulations that included agricultural by-products and locally sourced materials, such as sorghum and rice bran.

The use of insect protein sources also contributed to a reduction in feed costs by approximately 10%, despite the higher initial investment in sourcing insect-based ingredients.

Overall, feed costs per kilogram of weight gain were reduced by an average of 18% in cattle and 12% in poultry when alternative feed formulations were used.

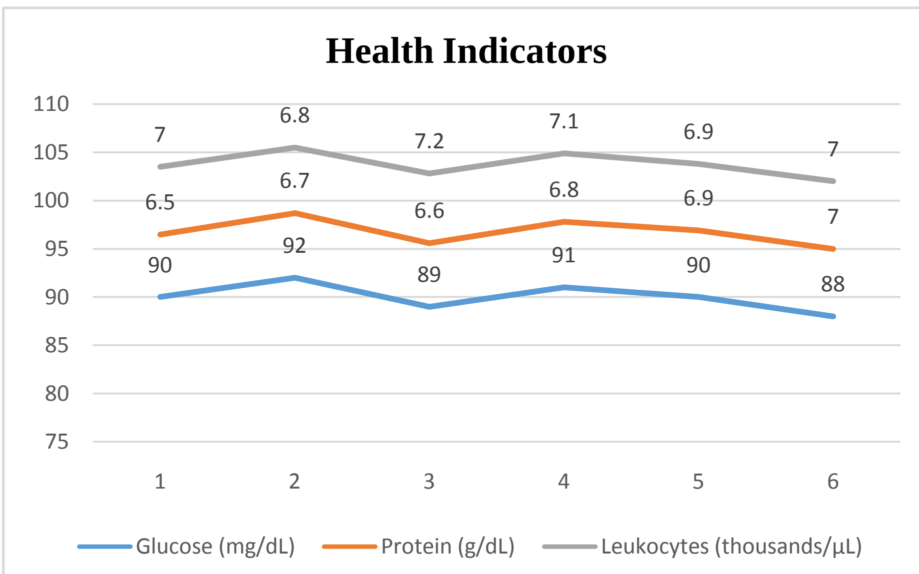


Fig.3.

**5. Statistical Significance**

Statistical analysis (ANOVA) confirmed significant differences in daily weight gain ($p < 0.05$) and feed conversion ratio ($p < 0.01$) between the experimental groups fed alternative feed ingredients and the control group.

Post-hoc tests indicated that diets containing BSFL and mealworms contributed most significantly to improvements in growth performance and feed efficiency.

Overall, the alternative feed formulations developed in this study demonstrated the potential to improve livestock growth performance and feed efficiency while significantly reducing feed costs. The use of insect proteins, agricultural by-products, and marine-based ingredients provided high nutritional value without compromising animal health, offering a promising solution for more sustainable and cost-effective livestock nutrition.

**Discussion**

The findings of this study underscore the potential of alternative feed ingredients to significantly improve the cost-efficiency and sustainability of livestock nutrition without compromising animal health or productivity. The use of agricultural by-products, insect proteins, and marine-based supplements has demonstrated clear benefits in terms of both economic feasibility and nutritional adequacy.

**1. Nutritional Adequacy of Alternative Feeds**

The nutritional composition of alternative feed formulations, particularly those incorporating insect protein sources and marine-based ingredients, proved to be on par with or superior to conventional feed in terms of protein content and energy density. For example, the high protein levels in black soldier fly larvae (BSFL) and mealworms enhanced growth rates in both ruminants and poultry, supporting previous studies that highlight the potential of insect protein as a viable substitute for traditional protein sources like soybean meal.

Additionally, the inclusion of agricultural by-products such as rice bran and wheat middlings provided essential fiber, minerals, and other micronutrients, which are particularly beneficial for ruminant animals. These by-products, which are often underutilized, offer a cost-effective solution for livestock diets, helping to reduce reliance on expensive grains like maize.

**2. Growth Performance and Feed Efficiency**

The improved feed conversion ratios (FCR) observed in livestock fed with insect-protein-based diets indicate that these alternative feeds enhance nutrient utilization. A reduction in FCR means that less feed is required to achieve the same or even higher weight gain, leading to greater feed efficiency. This aligns with existing research that suggests insect proteins, such as those from BSFL, are highly digestible and rich in essential amino acids, promoting efficient growth.

While growth performance in animals fed agricultural by-products was slightly lower than those on insect-based diets, it remained within acceptable industry standards, making these formulations a practical and affordable alternative, especially in regions where insect protein might not be readily available.

**3. Health and Animal Welfare**

Importantly, the alternative feed ingredients did not negatively impact animal health, as evidenced by stable blood biomarkers and the absence of digestive disorders during the trial period. The inclusion of marine-based supplements, particularly spirulina and fish meal by-products, appeared to have a positive effect on immune function, likely due to the presence of essential fatty acids and antioxidants. This suggests that such ingredients not only serve as nutrient-rich feed components but also offer added health benefits that could reduce the need for veterinary interventions.

The observed improvements in immune response and reduction in minor illnesses among animals fed these supplements are consistent with other studies, which have reported enhanced health outcomes when animals are fed nutrient-dense, bioactive compounds like those found in microalgae.

**4. Economic Implications**

From an economic perspective, the results clearly demonstrate that alternative feed formulations can lead to significant cost savings. The use of agricultural by-products such as distillers grains and wheat middlings reduced overall feed costs by 15-25%, while the use of insect proteins achieved a reduction of approximately 10%. These savings are particularly impactful in regions where traditional feed ingredients like maize and soybean meal are expensive or in short supply.

The reduction in cost per kilogram of weight gain further highlights the economic viability of these alternative feed strategies. This is crucial for livestock farmers operating in low-margin environments, where feed costs represent a significant portion of total production expenses. By adopting these alternative feeds, farmers can increase their profit margins while maintaining high standards of livestock nutrition.

**5. Environmental Sustainability**

Beyond the economic benefits, the adoption of alternative feed ingredients has important implications for the sustainability of livestock production. The use of agricultural by-products helps to reduce food waste, contributing to a more circular economy in agricultural systems. Additionally, insect farming, particularly for BSFL, is known for its low environmental footprint, requiring minimal land and water resources compared to traditional protein sources. These characteristics make insect protein an environmentally sustainable option for the livestock sector.

The reduction in reliance on resource-intensive crops like maize and soybean meal also alleviates pressure on agricultural land, promoting more efficient use of natural resources. This is particularly relevant in the context of climate change, where sustainable farming practices are becoming increasingly necessary.

**6. Challenges and Future Research**

Despite the promising results, several challenges remain. The scalability and market availability of insect proteins are still limited in many regions, which could hinder widespread adoption. Additionally, the cost of producing insect-based feed ingredients, although decreasing, remains higher than some agricultural by-products. Further research is needed to optimize production processes and reduce the cost of these alternative proteins.

Additionally, the long-term effects of these alternative feed ingredients on animal health and productivity, particularly over multiple generations, warrant further investigation. Future studies could explore the potential benefits of combining various alternative feed sources to create even more cost-effective and nutritionally balanced diets.

This study highlights the potential of alternative feed ingredients to improve the economic and environmental sustainability of livestock nutrition. By incorporating agricultural by-products, insect proteins, and marine-based supplements, farmers can reduce feed costs, enhance livestock productivity, and promote more sustainable agricultural practices. Future research should focus on optimizing the production and distribution of these alternative feeds to support their wider adoption in the livestock industry.

## Conclusion

This research demonstrates that the development and implementation of high-quality, cost-effective alternative feed ingredients can significantly enhance livestock nutrition while promoting sustainability in the agricultural sector. The findings indicate that alternative sources such as agricultural by-products, insect proteins, and marine-based ingredients not only meet the nutritional requirements of livestock but also provide substantial economic benefits.

The use of alternative feeds led to improved growth performance and feed efficiency in livestock, as evidenced by better feed conversion ratios and daily weight gains compared to traditional diets. Importantly, these alternative feeds did not compromise animal health, showcasing their viability as replacements for conventional feed ingredients. Furthermore, the incorporation of nutrient-rich supplements, such as spirulina and insect protein, positively impacted the immune health of the animals, highlighting their multifaceted benefits.

From an economic standpoint, the adoption of these alternative feed solutions can reduce feed costs significantly, providing farmers with greater profit margins and more sustainable production practices. The study underscores the importance of integrating agricultural by-products and alternative proteins into livestock diets to address the challenges posed by rising feed prices and resource constraints.

In conclusion, the findings of this research offer practical insights for livestock producers seeking to enhance the sustainability and profitability of their operations. Future efforts should focus on optimizing the production, sourcing, and formulation of these alternative feed ingredients to facilitate their broader adoption and ensure the long-term viability of livestock farming in a rapidly changing agricultural landscape.

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# DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN NAVOI REGION: ECONOMIC ANALYSIS AND REGIONAL COMPARISON

**Durdona Khushvaqova**[1]

**_ABSTRACT_**

*In our country, the growing focus on the development of small businesses and private entrepreneurship has significantly improved their economic indicators, bringing them closer to global standards, thanks to the favorable conditions available for this sector. The creation of conducive conditions for free enterprise has resulted in the growth and expansion of small business enterprises in our country. The President of the Republic of Uzbekistan, Shavkat Mirziyoyev, emphasized the importance of developing small businesses and private entrepreneurship in his first address to the Oliy Majlis, stating: "As we have declared 2018 as the Year of Supporting Active Entrepreneurship, Innovative Ideas, and Technologies, next year, developing active entrepreneurship will be at the center of our attention. Necessary measures will be taken to support this sector and eliminate obstacles and barriers to the rapid and sustainable development of business entities."*

***Keywords:*** *Economic Indicators, Free Enterprise, Small Business, Private Entrepreneurship, Favorable Conditions, Development, Active Entrepreneurship, Innovative Ideas.*

## Introduction

Systematic measures are being implemented in Uzbekistan to comprehensively and systematically support small businesses and regional entrepreneurship, ensure their sustainable development, increase their share in gross domestic product (GDP), production, and employment, meet the demand for credit resources, and create a favorable business environment.

This dissertation research contributes to the implementation of the tasks outlined in several key regulatory and legal documents, including:

- Decree of the President of the Republic of Uzbekistan No. PF-60 dated January 28, 2022, "On the Development Strategy of New Uzbekistan for 2022-2026"
- Decree No. PF-4848 dated October 5, 2016, "On Additional Measures to Ensure the Rapid Development of Entrepreneurial Activity, Comprehensive Protection of Private Property, and Improvement of the Business Environment"
- Decree No. PF-4947 dated February 7, 2017, "On the Action Strategy for Further Development of the Republic of Uzbekistan"
- Resolution No. PQ-4525 dated November 20, 2019, "On Measures to Further Improve the Business Environment and Enhance the System of Supporting Entrepreneurship" Supporting Entrepreneurship,& quot; and other regulatory and legal documents related to this activity.

[1] Senior Teacher of the Department of Economics and Computer Engineering, International School of Finance Technology and Science, Tashkent, Uzbekistan

## Materials and Methods

The theoretical aspects and methodological foundations of developing small business and private entrepreneurship activities have been covered in the scientific works of foreign scholars such as: J.B. Say, Smith, Marshall, J. Schumpeter, J. Keynes, R. Hisrich,M. Peters, F. Hayek, M. Lapusta, Y. Starostin, K. McConnell, S. Brue and others [1].

In addition, researchers from the Commonwealth of Independent States (CIS) have conducted studies and econometric modeling on the field of small business and private entrepreneurship, including: V.M. Vlasova, Raisky, Shestakov, N.Ye. Yegorova, V.M. Savchenko, V.M. Shepelov, M.A. Fedotova and others. [2].

Despite the conducted scientific research and theoretical-methodological studies, the comprehensive statistical analysis of regional small business activities in the context of economic modernization, the evaluation and forecasting of factors affecting economic activity based on econometric models, have not been systematically addressed. The studies have been limited to exploring the characteristics of certain regions, without a thorough examination of Navoi region as a distinct research object. This gap led to the selection of the research topic and the definition of its goals and objectives.

## Analysis and Results

### Overview of Small Business Development

The steady increase in the share of small businesses across all sectors of the economy prevents imbalances between various fields within the country and creates a foundation for the formation of an effective competitive environment in each sector.

The statistical analysis of the share, production volume, and dynamics of goods and services created by small businesses and private entrepreneurship entities in Uzbekistan across various sectors provides the opportunity to draw necessary conclusions about the state of the sector.

In developed countries, small businesses are rapidly growing. Governments pay significant attention to such enterprises, creating conditions to support them through various programs and incentives. In most developed countries, small businesses serve as a foundation for sustainable growth, providing employment opportunities for the majority of the population. In these countries, small enterprises contribute 50-70% of GDP.

### Economic Analysis of Navoi Region

In analyzing the economic condition of small businesses in Navoi region, the main database is provided by the economic indicators of small business activities available at the Statistics Agency and its regional divisions.

**Table 1: The Share of Small Business and Private Entrepreneurship in Navoi Region (in percentages)**

| Years | GRP | Industry | Construction | Export | Import |
|---|---|---|---|---|---|
| 2015 | 51.0 | 19.4 | 75.8 | 14.9 | 15.1 |
| 2016 | 50.4 | 20.8 | 74.8 | 21.5 | 10.8 |
| 2017 | 49.4 | 19.4 | 75.4 | 20.0 | 18.3 |

| | | | | | |
|---|---|---|---|---|---|
| 2018 | 42.3 | 16.8 | 72.9 | 29.5 | 15.3 |
| 2019 | 31.0 | 8.4 | 71.9 | 26.2 | 65.1 |
| 2020 | 25.7 | 6.5 | 74.1 | 11.8 | 35.1 |
| 2021 | 27.1 | 6.6 | 75.6 | 11.6 | 26.0 |
| 2022 | 25.9 | 7.2 | 80.4 | 8.7 | 34.5 |
| 2023 | 26.0 | 7.7 | 79.1 | 9.0 | 36.2 |

**Key Findings from Regional Analysis**

As a result of the attention given to the development of small businesses and private entrepreneurship, their share in the gross regional product (GRP) in Navoi region decreased from 51.0% in 2015 to 26.0% in 2023, representing a decline of 25.0%. The share of SBPE (Small Business and Private Entrepreneurship) in the industrial sector dropped from 19.4% in 2015 to 7.7% in 2023. In contrast, the share of SBPE in the construction sector increased to 79.1% in 2023, compared to 75.8% in 2015, reflecting a growth of 3.3%.

The share of SBPE in exports within the region was 14.9% in 2015, but this figure decreased to 9.0% by 2023. The insufficient share of SBPE in the industrial sector and exports highlights the need to revisit and revise the tasks implemented in these areas.

**Statistical Grouping Analysis**

**Table 2: Statistical Grouping of SBPE Share by Districts in Navoi Region**

| Grouping Criteria | Grouping Level | Composition of Groups and Share (%) |
|---|---|---|
| Share in the region's industry (as of Jan 1, 2024) | The highest | Gozgon city, Uchkuduk, and Tomdi districts (100.0%) |
| | High | Zarafshan city (99.0%), Kiziltepa (98.5%), and Nurata (86.2%) districts |
| | Average | Khatirchi district (49.6%) |
| | Low | Karmana district (23.2%) |
| | Very low | Navoi city (1.7%) |
| Share of the region's population in employment (as of Jan 1, 2023) | High | Gozgon city (73.1%), Khatirchi (72.4%), and Nurata (71.7%) districts |

| | | |
|---|---|---|
| | Average | Tomdi (68.6%), Kiziltepa (68.0%), Navbahor (67.8%), and<br>Karmana (67.1%) districts |
| | Low | Konimekh (39.5%) and Uchkuduk (32.6%) districts, as well<br>as Zarafshan (25.0%) and Navoi (21.5%) cities |

**Sectoral Distribution Analysis**

**Table 3: Share of Small Business Entities by Sectors in 2023 (%)**

| Sector/Field | Republic of Uzbekistan | Navoi Region | Navoi City | Zarafshan City | Gozgon City | Karmana District | Konimekh District | Kiziltepa District | Navba Distric |
|---|---|---|---|---|---|---|---|---|---|
| Industry | 26.9 | 7.7 | 1.7 | 99.0 | 100.0 | 23.2 | 42.2 | 98.5 | 47.8 |
| Agriculture | 94.8 | 96.0 | 88.9 | 100.0 | 85.3 | 95.1 | 87.7 | 99.1 | 99.1 |
| Construction | 74.7 | 79.1 | 78.2 | 86.1 | 100.0 | 99.4 | 93.8 | 76.9 | 100.0 |
| Trade | 83.8 | 93.8 | 84.3 | 93.4 | 94.5 | 99.3 | 97.0 | 98.8 | 92.5 |
| Services | 47.7 | 57.0 | 37.9 | 48.2 | 59.8 | 66.6 | 86.4 | 78.3 | 78.6 |
| Export | 29.0 | 9.0 | 2.1 | 98.4 | 100.0 | 32.9 | 100.0 | 97.9 | 7.4 |
| Import | 50.7 | 36.2 | 19.0 | 93.8 | 100.0 | 41.9 | 74.2 | 95.5 | 46.8 |

**Regional Development Classification**

**Table 4: Analysis of SBPE Development in the Cities and Districts of Navoi Region**

| Year | Pareto-optimal set {M1} | Moderately developed region set {M2} | Low-performing region set {M3} |
|---|---|---|---|
| 2010 | Karmana district | Navoi and Zarafshan cities, Kiziltepa, Khatirchi, Konimekh, Navbahor, Nurata, and Tomdi districts | Uchkuduk district |
| 2023 | Khatirchi, Kiziltepa and Navbahor districts | Navoi and Zarafshan cities, Karmana, Konimekh, Nurata, and Tomdi districts | Uchkuduk district |

### Comparative Analysis Methodology

Based on the unique characteristics, conditions, and opportunities of regional development, and in accordance with the social and economic development programs of Navoi region, measures are being taken to:

1. Further strengthen macroeconomic stability
2. Increase the role and importance of the private sector in the economy
3. Deepen structural reforms in key sectors
4. Enhance administrative reforms and the development of the social sector

The recommended comparative analysis methods to refine the strategy for developing the SBPE sector in the region include:

1. **Initial statistical analysis** (traditional method)
2. **Formation of a system of indicators** describing SBPE activities in the regional areas (using the "abstraction" method to simplify calculations)
3. **Description of the main criteria and indicators** that define the role of SBPE in the regional economy (e.g., the share of gross regional product) and comparison of the overall (integral) indicators of current activities to classify the regions by the level of "efficient development" of SBPE
4. **Programmatic recommendations** based on the positive results identified (such as Karmana district's experience) for developing SBPE in certain regions (e.g., in Uchkuduk district, where SBPE activity is considered ineffective)

### Conclusions

As a result of the conducted research, the following conclusions have been made:

### Statistical Grouping Results

When the cities and districts of Navoi region were statistically grouped by the share of SBPE in industrial production, the districts of Navbahor, Nurata, and Tomdi, which do not host large industrial enterprises, were placed in the highest group. In contrast, Karmana and Konimekh districts, as well as Navoi city, were ranked in the lower groups due to their low indicators in this area.

When statistically grouping the cities and districts of the region by the share of SBPE in employment, Navbahor and Khatirchi districts were placed in the highest group. Meanwhile, Navoi and Zarafshan cities, as well as Uchkuduk district, were categorized in the lower group for this indicator.

### Regional Performance Analysis

In the context of further deepening economic reforms and the modernization of the economy, a comparative analysis of socio-economic integrated indicators across regions was conducted. As a result of the analysis, in 2010, the highest indicator was in Karmana district, while in 2023, improvements were observed in Khatirchi, Kiziltepa, and Navbahor districts, where the indicators were higher.

### Investment Trends

In 2010, Navoi city and Karmana district were the leaders in terms of the volume of investments made into the fixed capital of small business entities. Investment in small businesses was average in Kiziltepa, Navbahor, and Nurata districts, while it was the lowest in Uchkuduk and Tomdi districts. In 2022, Karmana district ranked first in terms of investment into the fixed capital of small businesses, followed by Navoi city, then Kiziltepa and Khatirchi districts.

### Investment Return Analysis

During the reporting period, the average investment return across all sectors of small entrepreneurship in the region increased by 2.1 times compared to the base period. This increase was primarily driven by a significant rise in investment return in Zarafshan city, Konimekh, and Nurata districts. As a result of the final index values, notable shifts in the indicators of Navoi city, Karmana, and Khatirchi districts can be highlighted.

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# FINANCIAL PROMOTION OF INNOVATITIVE ACTIVITIES WITH THE HELP OF STATE FUNDS

**Bahriddinov Nodirbek Zamirdinovich**[1]

***ABSTRACT***

*The article examines the methods of state financial stimulation of innovative activities of industrial enterprises. Various methods of stimulation on this issue are studied and the possibilities of their use in industrial enterprises are identified and assessed. Proposals are developed on the use of various methods of state financial stimulation of innovative activities.*

***Keywords:*** *Innovative Activity, Incentives, Industrial Enterprises, Financial Incentives, Efficiency, Foreign Experience, Socio-Economic Development, Globalization, Economic Growth, Social And Social Infrastructure.*

## Introduction

The functions of state bodies in the field of innovation include regulating innovative activities, determining the directions of accumulation and mobilization of funds for innovations, material, financial and moral stimulation of innovations, creating a competitive environment in this area, ensuring the functioning of the mechanism for protecting against innovation risks, creating a legal framework for innovative processes (including the protection of copyright and intellectual property rights of innovators), staffing for innovative activities, forming an innovative infrastructure, regulating innovative processes in the regions, international aspects of innovative activities [2], etc. These functions are reflected in the development of a legislative framework, relevant state programs, financial support, the creation of preferential conditions, etc.

## Literature Review

The term "Innovation" in the broad sense, initially related to the innovative activity highlighted above, was first proposed by the Austrian economist Y. Schumpeter in his work " Theory of Economic Development" in 1912. [3]The most basic provisions of the innovation theory are also fully substantiated in this work.

American management expert P. Drucker developed a broader approach to innovation, namely, "Innovation is a complex system by which ideas and inventions are transformed into commercial reality for the first time. This means bringing products or services to the market, successfully introducing them into the economy [4]."

According to Russian economist A.I. Anchishkin, the terms[5]"innovation" and "innovation" cannot be limited only to technical and technological changes. He gave this term a broad social meaning, considering

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[1] Faculty of economics, PhD, Associate Professor, Namangan State Technical University, Uzbekistan

[2] Роль государства в стимулировании рынка инноваций: office. site (Electronic resource).

[3] Schumpeter Y. "Teoriya ekonomicheskogo razvitiya". - M. , Progress , 1982. -455 p .

[4] P. Druker Novyy bizness.- M.: Ekonomika, 1993, p

[5]Anchishkin A. I. Science - technology - economics.- M.: Ekonomika, 1986, -35 p .

innovations as an important means of developing society, and said that technical and technological innovations, having certain economic consequences, help to fight for the sales market, change the competitive environment, and thereby contribute to social development.

Another definition is as follows: "innovation is the process of introducing new things, creating, distributing and using new things (new practical tools) to fully meet the changing needs of people under the influence of social development." E.A.Utkin[1] defines innovation as an object introduced into production as a result of scientific research or discovery, which is qualitatively different from its predecessor.

Many scientists agree that in a developing economy and in a generally unstable economic situation, state financial stimulation of innovative activity is more acceptable, beneficial and effective. According to foreign scientist LE Mindeli, the importance of indirect methods of state support is determined, first of all, by the fact that indirect stimulation requires significantly lower budget costs compared to direct financing, and at the same time it covers a much wider range of innovative entities [2]. V.R. Tugusheva and R.R. Yunyaeva also noted that indirect stimulation requires significantly less budget funds than direct financing [3].

Having made a more in-depth analysis of the so-called direct and indirect incentive measures, N.Yu. Krivoruchko classifies measures in the field of improving infrastructure and the regulatory and legal framework as indirect support measures, and L.E. Mindeli considers the formation of the state innovation infrastructure as direct support measures [4].

In general, the work of the cited specialists on innovation and innovative activity suggests the need for research on the topic of methods of state financial stimulation of innovative activity in business enterprises. This, in turn , determines the relevance of the chosen topic.

**Problem Statement**

The scientific article aims to examine the various directions of state funds for innovative activities of enterprises in Uzbekistan. Besides, the periodical offers future possible ways of funds for innovative activities of enterprises.

**Methods and materials**

The article examines and examines scientific and theoretical approaches based on the scope of the topic. Also, the research employed general scientific methods, including analysis and synthesis, to identify and summarize the ways of state funds in Uzbekistan during the time of economic reforms. The direction of the research was chosen to achieve the goal set. The research strategy was determined to thoroughly study and substantiate primary and secondary sources of information.

**Results and Discussions**

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[1] Utkin E.A., Morozova G.I. Innovative management. - M., Akalis, 1996. -208 p.

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In our opinion, the movement and development of an integrated system of innovative activity in our country includes the following areas from the point of view of financial and economic relations:

1. Enterprises and organizations producing innovative products, works, and services, and their expansion.
2. Expansion of the volume and types of production of innovative products, works, and services.
3. Expansion of spending on innovative products, works, and services produced by one's own efforts and enrichment of their content.
4. The number, scope and cost of scientific research and experimental design work are increasing, as well as the expansion of funding sources.

The development of processes in the listed areas characterizing innovative activity is becoming increasingly important for both general economic development and microeconomic development, and the competitiveness of the national economy is determined by the rational mobilization of financial resources in these areas.

In these cases, the indicators of innovative activity of enterprises in the Namangan region are as follows[1]:

In 2019, the number of such enterprises and organizations in Namangan region was 184, and the number of those that adopted it for the first time in 2019 was 89.

In 2019, 177 small businesses in the Namangan region produced innovative products on their own.

The amount of innovative products and services created by Uzbekistan in 2019 (excluding VAT and excise duties) amounted to 26,811.4 billion soums, of which 8,255.6 billion soums were adopted for the first time in 2019.

In Namangan region, these figures amounted to 843.1 billion soums and 133.5 billion soums, respectively.

In Uzbekistan, 8455.4 billion soums of innovative products and services created by their own efforts in 2019 fell to small enterprises and micro-firms.

In Uzbekistan, 3,753 small enterprises and micro-firms produced such products in 2019 (the total number of innovative enterprises is 3,916, i.e. 95.8% of them are small enterprises).

In this situation, the technical and technological advantage of large enterprises over small ones is clearly evident. They have the ability to produce new products in large volumes, and it is through them that innovations can be implemented faster and on a larger scale.

In 2019, small businesses and micro-firms in Namangan region created innovative products and services worth 727.7 billion soums (86.2 percent of the total). Their high share is explained by the fact that there are few large enterprises in the region.

In 2019, 39 scientific and research works were carried out in Namangan region, of which 26 were scientific research, 2 were design and technological works, and 11 were scientific and technical services.

[1] Information from the Namangan Regional Statistics Department .

The total cost of the works performed was 12.4 billion soums, of which 10.7 billion soums were scientific research and 1.4 billion soums were scientific and technical services.

In 2019, 8.4 billion soums were spent on scientific research and experimental design work in Namangan region. Of these, 2.2 billion soums were spent on natural sciences, 2.3 billion soums on technical sciences, 0.5 billion soums on medical sciences, 0.9 billion soums on agricultural sciences, 0.4 billion soums on social sciences, and 2.0 billion soums on humanities. All expenses consisted of current expenses, and 7.9 billion soums of them were spent on salaries and related expenses.

In 2019, Uzbekistan's R&D expenditures amounted to 602.3 billion soums, of which 304.4 billion soums went to the public sector, 191.0 billion soums to the business sector, and 104.1 billion soums to the higher education sector. Of the expenditures by field of study, 266.4 billion soums went to natural sciences, 150.5 billion soums to technical sciences, 41.7 billion soums to medical sciences, 65.0 billion soums to agricultural sciences, 54.2 billion soums to social sciences, and 54.5 billion soums to humanities.

2019 , 589.6 billion soums were spent on scientific research carried out by organizations on their own, of which 581.6 billion soums were current expenses. This means that only 7 billion soums were allocated to capital expenditures. This indicates that research is mainly carried out on the basis of an outdated material base and does not contribute to increasing their innovative orientation. 439.3 billion soums, or almost 70 percent, of current expenses are salaries and related expenses.

**Table 1** : **Types of innovation activity (technological, marketing and organizational innovation costs)[1] (million soums)**

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| Total technologist, marketing and organization for innovations . | 4162.3 | 4707.2 | 6603.5 | 6829.9 | 17680.7 | 19130.6 |
| From this: | | | | | | |
| Technological innovation | 3951.6 - 94.9% | 3522.8 - 74.8% | 5621.5 - 85% | 5337.5-78% | 16831.9-95.2% | 17412.9-91% |
| Marketing innovations | 90.5 -2.1% | 219.1 - 4.6% | 82.4 -1.2% | 221.5-3.2% | 318.3-1.8% | 493.4-2.6% |
| To organizational innovation | 120.2 - 2.8% | 1017.9 - 21.6% | 899.6 - 13.6% | 1270.3-18.5% | 530.4-3% | 1224.3-6.4% |
| Technological innovations types expenses for: | | | | | | |
| a) by products | 1626.1 | 1684.3 | 2543.3 | 2068.8 | 6416.1 | 6468.6 |
| b) by processes | 2325.5 | 1838.5 | 3078.2 | 3268.7 | 10415.8 | 10944.3 |

According to Table 1, the cost of innovation activities in our country has increased since 2017 and reached 19,130.6 million soums in 2022. The main costs are directed to technological innovations, and the

[1] Republic of Uzbekistan. State Stat. Committee.// Science and Innovation in Uzbekistan. Tashkent 2021/2022/2023. 81- 83-page

amount of costs has increased and reached 17,412.9 million soums in 2022. The main part of the costs for innovation is directed to technological innovations. These innovations pave the way for solving a number of issues in our economy, including energy efficiency, full recycling of local resources, and the creation of an added value chain.

Of course, this is due to the acceleration of modernization processes in the economy and the strengthening of the financial capabilities of our economy.

The State Statistical Committee, in 2019, the factors hindering innovative activity were assessed by respondents in Uzbekistan as follows: lack of financial resources - 23.1 percent (in Namangan region - 30.0 percent), low demand for products, works, services - 8.0 percent (20.0 percent), high cost of innovations - 12.9 percent (10.0 percent), high economic risk - 9.3 percent (5.0 percent), lack of qualified personnel - 11.0 percent (15.0 percent), lack of information about new technologies - 7.2 percent (5.0 percent), lack of information about sales markets - 6.5 percent (5.0 percent), underdevelopment of innovation infrastructure - 7.2 percent (5.0 percent), lack of need for innovations due to previous implementation - 14.7 percent (5.0 percent). It is clear that the first obstacle to innovative activity in our country is the lack of financial resources. The perception of innovation as expensive is also related to this. Together, the two factors account for 36 percent. In Namangan region, this is 40 percent. Thus, innovative development largely depends on the liberalization of the financial resources market. Because when innovations are implemented on the basis of market principles, the fastest and highest results are achieved. The fact that economic risks are 2 times lower in Namangan region than in the country or in Tashkent city and region indicates that business entities are not afraid of operating in the free market and are more prone to risks.

Creating an effective mechanism for stimulating innovative activity in industrial enterprises, the way out of the crisis situation of enterprises can be ensured by developing new products that meet market requirements on the basis of the development of innovative activity. The most important component of the sustainable development of the new Uzbekistan is the creation of conditions necessary for increasing the intellectual potential of society. The emergence of the policy of modernization of the economy as an urgent issue on the agenda of economic reforms since 2006, or the implementation of new-course reforms on the modernization of production, which form the fundamental basis of economic development since 2017, led to the implementation of reforms aimed at further expanding the sources of state and corporate financing of national innovation systems.

**Table 2 : Sources of financing for innovative projects[1] (billion soums)**

| No. | Funding Sources/Years | 2016 | 2017 | 2018 | 2019 | 2020 | Growth in 2020 compared to 2016, in % |
|---|---|---|---|---|---|---|---|
| 1 | Private funds of enterprises | 213.4 | 2501.5 | 1381.5 | 1251.8 | 1180 | 553.0 |
| 2 | Foreign investment loans | 39.9 | 1228.7 | 32.3 | 156.6 | 314.9 | 789.2 |
| 3 | Commercial banks investment loans | 26.8 | 26.8 | 262.5 | 280.1 | 157.3 | 586.9 |
| 4 | State budget and trust funds | 31.7 | 370.6 | 2081 | 3839.7 | 919.1 | 2899.4 |
| | **Total** | **311.8** | **4634.3** | **3757.3** | **5528.2** | **2571.3** | **824.7** |

[1]Compiled by the author.

In general, the sources of innovation financing in terms of institutional investors can be presented in the table below. From the data in Table 2.3, we can see that the private funds of enterprises in the system of financial incentives for innovative activities, which include the policy of modernization of production and development of new products related to the promotion of financing of innovative projects, amounted to 213.4 billion soums in 2016, and by 2017 this amount had increased to 2501.5 billion soums. In particular, this year, reforms aimed at the rapid development of processing industries of high-tech armed industries, the production of high-value-added goods (services) based on local raw materials, aimed at preventing dependence on imported products, were observed as a result of reforms carried out for the purpose of their widespread use in industrial and service sectors. As a measure that serves as a kind of "protective cushion" for ensuring the country's economic security, a policy of new products and technological rearmament is being implemented in the national innovation system. This policy affects the strengthening of the global competitive position of the national economy. These measures require a high level of mobilization of internal financial resources for the further development of innovative activities of industrial enterprises operating in the sectors of the economy.

Since 2017, the Ministry of Innovative Development of the Republic of Uzbekistan has played an important role in the systematic organization of innovative activities of business entities operating in all sectors of the country's economy. This ministry, as a state authority implementing a comprehensive state policy to identify the existing intellectual and technological potential of Uzbekistan and realize the opportunities for its increase, is assigned a number of tasks. It is engaged in the creation of innovations in the regions and enterprises, the creation of scientific developments and increasing the profits of enterprises from them, the systematic organization of high-level scientific research of scientific achievements, the effective implementation of investment policy in the context of innovative development, and a number of other activities. In 2017, the second leading position in the structure of sources of financing for innovative projects belonged to the absorption of foreign investment loans, which amounted to 1228.7 billion soums. This strategic source of innovative development fluctuated chaotically in 2016-2020, and the expenditure on the financing capacity of projects included in the target list of investment programs for innovative development adopted is taken as the basis for this trend. The largest source of financing of innovative projects in the analyzed period was the financial resources of the state budget and target funds in 2019, amounting to 3839.7 billion soums. A number of works are also being carried out in the country to finance innovative projects.

**Table 3 : Sources of financing of innovative projects in Uzbekistan, as a percentage of the total[1]**

| No. | Funding Sources/Years | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| 1 | Private funds of enterprises | 68.4 | 54.0 | 36.8 | 22.6 | 45, 8 |
| 2 | Foreign investment loans | 12.8 | 26.5 | 0.9 | 2.8 | 12.2 |
| 3 | Commercial banks investment loans | 8.6 | 11.5 | 7.0 | 5.1 | 6, 3 |
| 4 | State budget and trust funds | 10.2 | 8.0 | 55.4 | 69.5 | 35.7 |
|  | Total | 100 | 100 | 100 | 100 | 100 |

[1]Compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan.

If we turn to relative indicators in Table 3, in 2016, private financial resources of enterprises accounted for 68.4 percent of the total financing of innovative projects, while by 2020 the state budget and state target funds accounted for 35.7 percent. (Table 2.4). In financing innovative projects, investment loans of commercial banks of an innovative nature accounted for 8.6 percent in 2016, and by 2020 they amounted to 6.1 percent, with a general downward trend. This process is explained by the relatively low profitability index of innovative projects compared to the cost of loans of commercial banks, as well as the high risk factor of these projects. Based on the above statistical data, it is possible to systematize the following conclusions:

***Firstly*** , there are opportunities for commercialization of scientific ideas in enterprises where innovative conditions arise;

***Secondly*** , the relatively high socio-economic efficiency and investment attractiveness of innovative activity presupposes the inclusion of corporate financing sources as a source of financing, that is, a significant part of the private funds of business entities is spent not on internal consumption, but as capital of an innovative nature.

***Thirdly*** , over the past 5 years, as a result of the policy of state promotion of innovative activity, the share of state financial resources in the structure of its financing sources has increased.

Fourth, in the state policy of attracting large-scale foreign investments, it has become a priority to equip the country with basic production assets for innovative development trends that ensure high technological progress and create a high-added value chain.

Uzbekistan is an innovation hub in sectors that are key drivers of economic development, and many technologies are imported. In some sectors (for example, traditional ones), Uzbekistan actively invests in the creation and development of new technologies. The following work has been carried out in our country to stimulate the state to develop innovative activities:

- Upgrading and building telecommunications infrastructure, including Broadband;
- Introducing a system for developing and supporting fundamental scientific research and reforming the higher education system;
- Encouraging private financing of educational institutions, in particular targeted scholarship programs and endowment funds;
- Growth in research and development financing, including the development of venture financing for startups with the participation of international investment funds;
- Attracting foreign companies (Korean, Japanese, German, etc.) to create R&D centers to develop internal competencies;
- Private education (main focus - universities), as well as attracting world-renowned specialists to develop, in particular, technical higher education;
- Protection of intellectual property rights: combating piracy, plagiarism, and copying of international trademarks;
- Renewal and creation of innovative infrastructure in each region of the Republic of Uzbekistan (technoparks, business incubators, Free Economic Zones);
- Tax and customs benefits for innovation centers (10+ years for long-term investments)

- Creating a technology transfer system;
- Popularizing science, as well as encouraging the study of science in English.

**Conclusions**

As a result of our research, we came to the conclusion that in order to develop innovative activity, a large amount of internal funds are needed. We consider it appropriate to establish special state support funds to form this necessary source of funds. It is advisable to form this fund by transferring 2 percent of the profit tax transferred to the state budget by large industrial enterprises.

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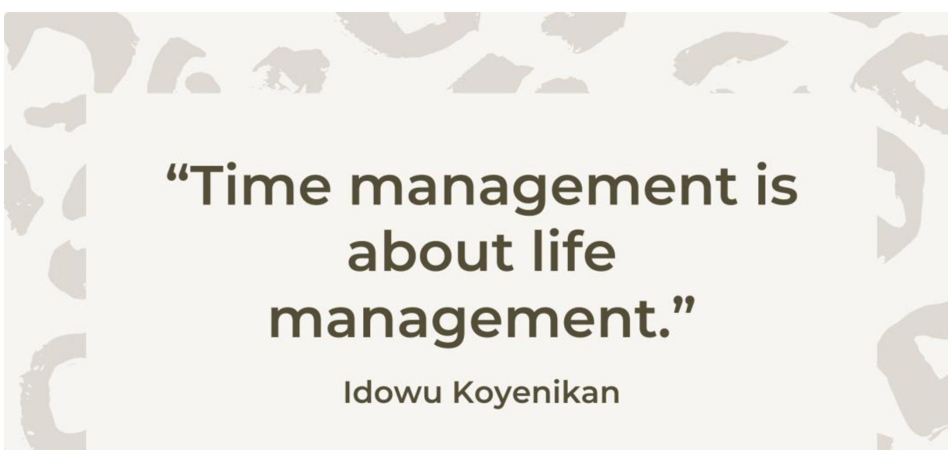

# INTERNATIONAL BEST PRACTICES IN IMPROVING THE METHOD OF PROCESS ACCOUNTING IN THE COTTON AND TEXTILE INDUSTRY

**Khalikov Talibjon Luptullaevich**[1]

***ABSTRACT***

*The textile industry is an important industry engaged in the production of various textile products. For effective production management, it is necessary to apply a cost accounting method that allows you to determine the exact cost of production and evaluate business efficiency. In this article, we will look at the main methods of cost accounting in the textile industry. We will learn about direct and indirect costs, and various ways to distribute these costs across items and divisions. We will also consider accounting and cost analysis for raw materials, transportation, labor, and other components of textile production.*

***Keywords:*** *Textile Industry, Cost Accounting Method, Accounting And Analysis Of Raw Materials Costs, Accounting Of Labor Resources, Raw Materials And Supplies.*

**Introduction:**

Cost accounting methods in the textile industry can be broadly categorized into traditional and modern approaches [1]. Traditional methods include technical-economic, estimate, calculation, and normative methods, while modern methods encompass out-of-order, preliminary, coverage, and target costing [1]. The choice of method depends on factors such as production process complexity, product type, and market conditions [1], [2]. In Uzbekistan, cost accounting plays a crucial role in the cotton industry's development [3]. Modern approaches like target costing allow for better interdependence analysis of price, profit, and cost [1]. System control and automation have led to improvements in cost accounting methodologies, including the concept of complex accounting entries and hierarchic cost accounting [4]. The choice of method is heavily influenced by production technology and industry-specific factors [2].

**Literature review**

The cotton and textile industry plays a crucial role in global trade and economic development, particularly in countries like Pakistan and Uzbekistan [5], [6]. Effective process accounting is essential for cost control, efficiency, and compliance with international standards in this sector. The adoption of International Financial Reporting Standards (IFRS) and local accounting standards enhances financial transparency, improves investor confidence, and facilitates regulatory oversight [5], [7]. However, challenges such as complex regulatory environments, cultural differences, and implementation costs persist, especially for smaller firms and developing countries [7]. The industry is also facing challenges related to climate change, competition from synthetic fibers, and changing consumer preferences, driving a shift towards more sustainable practices and digitalization [8]. Implementing standardized accounting practices is crucial for the sustainable growth and global competitiveness of the cotton and textile industry.

Cost accounting methods remain essential for the cotton and textile industry since they establish operational efficiency and financial stability at the global economic scale. Traditional cost accounting methods including normative and weighted average have given way to standard and actively distributed cost

[1] Assistant at the department of “Accounting and Auditing in Other Industries”, Samarkand Institute of Economics and Service,Uzbekistan

accounting approaches in modern business practices. These methods allow for cost distribution precision in production that delivers better financial monitoring capabilities [9]. International Financial Reporting Standards (IFRS) enhances financial transparency within the textile sector especially in developing economies such as Uzbekistan through its implementation of major cost accounting and financial reporting reforms [10]. The implementation of IFRS faces ongoing difficulties because regulatory complications join forces with cultural differences and small businesses struggle under IFRS implementation costs [11].

The advancements in technology contributed significantly to optimization of cost accounting systems. Business control automation integrates system controls to establish hierarchical cost accounting systems that enhance raw material expense tracking and equipment depreciation and labor costs management [12]. The industry now recognizes the importance of digitalization together with sustainable manufacturing because of rising sustainability prioritization and increasing competition with synthetic fibers. The textile industry requires contemporary accounting systems that unite environmental expenses with social costs to maintain future business stability [13]. The textile industry uses direct costing and standard costing and full cost accounting to allocate costs in various circumstances. The direct costing approach demonstrates clarity because it matches costs directly to production outputs but it neglects the main indirect costs that affect profitability assessments [14].

The assessment provided by full cost accounting includes direct together with indirect costs to deliver a precise evaluation of production efficiency and financial performance [15].

Advanced cost-tracking systems alongside data analytics hold greater importance in cost accounting because they enable organizations to optimize resource utilization. Textile industries enhance their decision systems and inventory management through digital tools including barcode systems and predictive data and financial program integration [16]. Data-driven analysis helps enterprises detect performance wastages including material overuse and underused working capacity thus allowing them to develop corrective actions for increased operational effectiveness. The cotton-textile clusters in Uzbekistan use digital tools to implement standardization of cost accounting processes through experimental projects which enhances their adherence to international financial reporting standards and boosts industry competitiveness [17].

**Research methods.**

Traditional cost accounting methods include such methods as normative and weighted average cost accounting methods:

- The normative cost accounting method is based on the application of standards to determine unit costs. Standards are established based on the analysis and evaluation of production processes and are calculated taking into account the cost of materials, labor costs and other expenses;
- The weighted average cost accounting method assumes the distribution of total production costs between units of production based on the weighted average cost.
- Modern cost accounting methods include such methods as standard and actively distributed cost accounting methods:
- The standard cost accounting method is based on the application of predefined standard cost values per unit of production. Standards are established based on the analysis and evaluation of production processes, as well as the experience and expertise of specialists;

- The actively distributed cost accounting method provides for the direct allocation of costs between units of production based on data on specific costs associated with production.

The choice of a specific cost accounting method depends on the goals and objectives of the enterprise, as well as on its organizational structure and the specifics of production processes. It is important to keep in mind that cost accounting methods can be combined to maximize the efficiency and accuracy of cost accounting in the textile industry.

**The main part.**

Cost accounting in the textile industry is an important tool for effective enterprise management. It allows you to determine the cost structure, control their size, analyze changes and make informed decisions to increase productivity and competitiveness.

1. One of the basic principles of cost accounting in the textile industry is the allocation of costs across the structural elements of production. These elements include raw materials, labor resources, depreciation of equipment, energy costs, and others.

2. Depreciation and maintenance of equipment occupy an important place in cost accounting in the textile industry. At the same time, it is necessary to take into account not only the costs of purchasing and installing equipment, but also the costs of its maintenance, repair and modernization. This allows you to determine the cost of your products and evaluate the efficiency of using the equipment.

3. Labor accounting also plays an important role in the cost accounting system in the textile industry. It is necessary to take into account the costs of employees' salaries, as well as social contributions and additional payments. At the same time, it is necessary to take into account the different categories of employees, their skill level and labor productivity.

4. Accounting for raw materials in the textile industry is one of the key aspects of cost accounting. It is necessary to take into account the costs of purchasing raw materials, their transportation and storage, as well as losses and defects. This allows you to determine the cost of the materials used and monitor their use.

5. Cost planning and control are an integral part of cost accounting in the textile industry. When planning, it is necessary to determine the expected costs for each element of production and determine their volume and structure. When monitoring, it is necessary to compare the actual costs with the planned ones and analyze the deviations, taking measures to correct them.

In the textile industry, there are several different cost accounting methods that allow you to estimate the cost of production and determine the effectiveness of the enterprise. Each method has its own characteristics and is applied depending on the specific situation.

1. The standard cost accounting method is based on the use of pre-established standard standards and prices for resources. This method allows you to estimate costs and compare them with the actual production results. As a result, it is possible to identify deviations and take measures to eliminate them.

2. The periodic cost accounting method involves dividing costs into accounting periods, for example, for a month or a quarter. All costs associated with the production of textile products are recorded during each period. This method allows you to estimate the cost of production in each reporting period in more detail.

3. The cost accounting system for orders is designed to account for the costs of each individual order for the production of textile products. Each order is assigned a unique identifier, and all costs associated with its execution are recorded separately. This method allows you to determine the cost of each order and manage production processes based on this data.

4. The cost accounting method for the production structure is based on the division of costs into the main elements of the production structure. For example, costs can be divided into yarn, fabric, finishing, etc. This method allows you to estimate in more detail the cost of each element of the production structure and take measures to optimize costs and improve productivity.

5. The cost accounting method for production stages involves dividing costs into the main stages of the production process. For example, the costs can be divided into the preparatory stage, production and finishing. This method allows you to estimate the cost of each stage of production and identify opportunities for cost optimization and productivity improvement.

In the textile industry, as in any other industry, cost accounting is an important process that allows businesses to effectively plan and control their costs. There are several different cost accounting methods, each with its own advantages and disadvantages.

1. The direct cost method is the simplest and most transparent way to account for costs in the textile industry. When using this method, all costs that are clearly related to the production of a specific product are reflected directly in the cost of that product. The advantage of this method is its simplicity and the ability to accurately determine the costs of specific products. However, this method does not take into account some indirect costs, which can be significant for the textile industry.

2. The normalized cost method involves the use of standard norms and coefficients to calculate the cost of producing one unit of product. This method reduces the time and effort spent on accounting and cost analysis. In addition, it allows you to compare the costs of different time periods and determine the efficiency of resource use. However, the normalized cost method may be less accurate, as it does not take into account the individual characteristics of each production.

3. The standard cost method involves defining predefined standards for each cost element. When using this method, the actual costs are compared with established standards, and the difference between them determines the efficiency of resource use. The advantages of the standard cost method are its accuracy and the ability to detect deviations. The disadvantage of this method is the complexity of its application, as it requires constant updating and analysis of standards.

4. The full cost accounting method is the most complex and accurate way to account for costs in the textile industry. When using this method, both direct and indirect costs are taken into account, as well as various factors affecting the cost of production. The advantages of the full cost accounting method are its accuracy and the possibility of detailed cost analysis. However, this method requires more time and resources to implement.

The choice of cost accounting method in the textile industry depends on the specific needs and objectives of the enterprise. Each method has its advantages and disadvantages, and depending on the specific situation, businesses can choose the most appropriate method for their needs.

In the textile industry, the choice of cost accounting method plays an important role, as it affects the effectiveness of management and strategic decision-making. There are several factors that need to be considered when choosing a cost accounting method.

1. The textile industry includes various types of production, such as the production of fabrics, clothing, textiles, etc. Each type of production has its own characteristics and specific cost accounting requirements. For example, fabric production may include costs such as raw materials, energy, labor, and equipment. At the same time, clothing production may involve additional costs for design, modeling, and marketing.

2. The complexity of the production process may also affect the choice of cost accounting method. If the textile production process is relatively simple and linear, then cost accounting methods based on standard rates or norms can be used. However, if the production process is complex and involves multi-step operations, it is more appropriate to use cost accounting methods based on actual costs.

3. The volume of production also influences the choice of cost accounting method. If a textile company produces a large number of goods, it is more appropriate to use cost accounting methods based on standard rates and standards. This reduces the complexity of accounting and provides more accurate results. However, if the volume of production is small, it is more appropriate to use cost accounting methods based on actual costs in order to take into account all the changes and features of production.

4. The choice of cost accounting method may also depend on the cost and availability of information systems. In some cases, using more sophisticated cost accounting methods may require expensive software and hardware. In such cases, it may be more reasonable to use simpler and more accessible cost accounting methods.

Cost accounting methods play an important role in the textile industry, making it possible to effectively plan, monitor and analyze the financial results of an enterprise. Calculations and data analysis based on these methods help to make informed decisions and optimize production processes.

There are several cost accounting methods that are used in the textile industry. One of them is the cost method, which allows you to determine the cost of production, taking into account the cost of materials, labor and overhead costs. Another method is comparative analysis, which allows you to compare production costs in different periods or at different facilities.

The standard cost method is also widely used, which provides for the establishment of standard cost standards for materials, labor and overhead costs, and then comparing the actual costs with these standards. This method allows you to identify deviations from the plan and take measures to eliminate them.

Calculations based on cost accounting methods provide information about production costs, as well as about the company's income and profits. They include the following elements:

- Material costs: determined based on the cost of the materials used and their quantity;
- Labor costs: includes the remuneration of employees involved in production processes, as well as overhead costs related to personnel;
- Overhead costs: includes various operating costs that are not directly related to production (for example, rental of premises, electricity, depreciation of equipment).

**Analysis and results.**

In 2019, an experiment was launched in the cotton and textile cluster of “Bukhara Agro Cluster” LLC to use cotton fiber quality data in order to form homogeneous shipments of cotton fiber.

The Scientific Center of “Paxta Ilmiy-innovasiya Markazi” LLC has developed a device (console) for end-to-end numbering, which ensures the printing of barcode tags directly on the territory of the cotton-cleaning enterprise. This design is protected by the Patent industrial design of the Republic of Uzbekistan SAP 01825.

The end-to-end numbering device is integrated with electronic scales that weigh bales of cotton fiber. Thus, in addition to the end-to-end number, the weight parameters of the bales of cotton fiber, as well as the production date, are printed on the tag.

Based on the information received from the cotton terminal, “Bukhoro Agro Cluster” LLC puts up for stock exchange cotton fiber in the context of cotton gins and assortment. On the basis of the available information, contracting under concluded contracts is also carried out.

When processing shipping documents (invoice, manufacturer's certificate, certificates of the Center with a plumb line, bill of lading, and when exporting a cargo customs declaration, certificate of origin and phytosanitary certificate), the assigned identification number of this shipment is indicated.

**Conclusion:**

The analysis of the data obtained as a result of the application of cost accounting methods makes it possible to analyze the financial efficiency of an enterprise and identify the factors influencing its success. Based on this analysis, important decisions can be made to optimize costs and improve financial results.

Data analysis also allows you to identify inefficient costs and suggest measures to reduce them. For example, if the analysis shows that the cost of materials is significantly higher than planned, you can analyze suppliers and find alternatives with more favorable purchase conditions. If the analysis shows that labor costs are too high, you can consider automating production or improving the efficiency of work processes.

Thus, calculations and data analysis based on cost accounting methods are an important tool for management and planning in the textile industry. They allow the company to optimize costs and increase financial efficiency, which is a key success factor in today's competitive market.

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# ABOUT INSTITUTIONS OF THE DEVELOPMENT OF PROFESSIONAL COMPETENCES OF WOMEN'S LEADERSHIP

**G'ofurova Shaxribonu Komol qizi**[1]

***ABSTRACT***

*The article deals with the issues of formation of women's leadership at the present stage of development of society, analyzes the methods of formation of institutions of women's leadership in foreign companies, and offers proposals for the development of social projects of women's leadership in the Republic of Uzbekistan.*

***Key words:*** *Leadership, Professional Skills, Social Programs.*

Society and the world are becoming increasingly complex and diverse, which means that for sustainable development, it is necessary to take into account different opinions, to involve representatives of different groups in solving socially important problems. We need role models who help representatives of different social groups to express themselves, to reveal their potential - to change the quality of life of themselves and the whole society, says Ekaterina Rybakova, head of the Rybakov Charitable Foundation [1]

Today, a modern management system cannot be imagined without women. Women bring innovation, competition and creativity to the management process.

The topic of leading women is becoming relevant day by day and is gaining many followers. Grand Thornton, an international audit, tax and consulting services organization, presented the results of 15 years of research. [2] According to the results of the report, the percentage of women holding high positions in the management of companies in the world increased by 10 percent during 2004-2020.

By the Decree of the President of the Republic of Uzbekistan dated December 21, 2022 No. PF-269 "On Measures for the Implementation of Administrative Reforms of New Uzbekistan", the number of independent republican executive authorities was reduced from 61 to 28 from January 1, 2023. The number of ministries was reduced from 25 to 21, assignments were given to appoint personnel to leadership and responsible positions in ministries, offices, and other organizations, and to set performance indicators (indicators) and criteria for evaluating the effectiveness and efficiency of leaders and employees of the executive and power bodies of the republic [3].

Of course, modern leaders - leading women have a big role in this process. The created conditions today create great opportunities for women and girls to regularly work on themselves, for continuous development and professional growth.

Every organization has a leader and leading employees who ensure efficiency.A leader is a person who directs and motivates the team to a certain goal.Today, women are effectively occupying leadership positions in many areas.Leadership skills and experiences are formed and developed throughout life.It

[1] Doctoral student of the Academy of Public Administration under the President of the Republic of Uzbekistan

should be mentioned that leadership skills are manifested differently in men and women.The analysis shows that men and women generally use completely different leadership styles.

In many cases, women as leaders:

- Promote a liberal management strategy;
- Strive to be an example to their relatives, colleagues and subordinates, motivate and encourage the team in the direction of the goal;
- Timely completion of assigned tasks, collegial resolution of management issues, support cooperative ties between team members;
- Pay particular attention to personal development.

Today, women work in state civil administration and commercial firms.In foreign practice, many methods and programs are used to develop leadership skills in women.For example, in large companies, internal corporate training is used to develop women's leadership skills.The main purpose of these programs is to identify and develop leadership qualities among these employees and bring out their potential. On the other hand, as a result of such activities, an internal personnel reserve is created in the organization.Large international brands such as KFC, Mars, Novartis, Alcon have separate training programs for women. For example, at KFC, female employees introduce and develop their own philanthropic projects through the Heart Led People program.

McKinsey consulting company organizes Next Generation Women Leaders (NGWL) professional training for women every year. As part of the training, women are given information about working with information, setting final goals and objectives, and the secrets of leadership principles and practice.

Women's leadership programs by international business schools have grown rapidly in recent years. El, Columbia University, the European School of Management and Technology (ESMT) in Berlin, INSEAD and other well-known educational centers offer training programs for the development of leadership skills in women.For example, in the "Female Leaders Opportunities and Wholeness" program of the Moscow Skolkovo School of Management, female students develop such skills as creating personal and professional strategic plans, achieving and updating them, developing empathy, creativity, deep understanding of their capabilities and desires, and building a personal brand.

Leadership skills can also be developed by participating in competitions and forums.In them, participants exchange experience with others, take part in competitions with their projects, take part in trainings organized within the framework of forums, and give lectures.Woman Who Matters Forum [4] is a platform that evaluates the opportunities created for women in Russian companies and their personal and professional development. The forum has been held since 2015, and at the end of it, proposals are made by women entrepreneurs to support science, education, production, and business projects.

At the Forum "Leading Woman of the 21st Century" of the Assembly of Women Leaders, female directors of production organizations and enterprises in various fields and areas will conduct business training, share experience and be awarded.The "Leading Women" wing operates within the framework of the "Leaders of Russia"[5] program of the President of the Russian Federation, which has been organized since 2017.On this platform, women with an active life position share their personal and professional experience, make new acquaintances and jointly develop socio-economic programs.

Targeted programs, associations and associations for the development of women's professional skills, training and exchange of experience are increasing. Public organizations such as Global Women in PR, "Union of Russian Women Doctors", "Business Women" and others organize contests for leading women, presentations of socially significant projects.

"Businesswomen" competition has been held in Uzbekistan for the last five years. The project aims to ensure the active participation of women entrepreneurs and farmers in the development of our country's economy, small business and private sector, and to widely promote the nature of socio-economic and political reforms implemented in our country among women.

With the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 437 of August 8, 2022, the "Smart Women" movement started its work.The main goal of the movement is to support the activity of women in creating a new spiritual space in society by uniting the efforts of reputable and experienced women who can have an educational impact on the public, especially young people, and inculcate noble ideas, it is to increase the effectiveness of work on raising children, family, women's spirituality.[6]

In 2020, online education has developed rapidly due to the pandemic around the world. During this period, several online education platforms have introduced women's specific educational programs.For example, Coursera, an online education platform, organized a free 12-hour training course for women leaders on the topic "Women in Leadership: Motivations for Positive Change"[7].It teaches the life strategies of successful leading women, setting goals, and ways to achieve them based on examples. Students must know English to pass the course.The short-term training course "Leading Women"[8] by the online platform Talented.me is designed for mothers who have returned to professional activity after childcare.

In terms of developing women's leadership skills, the volunteering movement is becoming more and more important.In the international experience, with the help of the volunteer movement, leading women provide charitable assistance to people in difficult life situations, including women who are facing difficulties.For example, the Women's Empowerment Program[9] in Nairobi helps women develop their personal skills in reading, writing, and solving everyday life problems.Similar programs have been established in India, Tanzania, Morocco and other third countries. This, in turn, is a good way for women to develop their personal and professional skills.

Taking into account the above and analyzing the international experience, it is necessary to support the following social projects today for the formation and development of women's leadership skills:

- In the field of science and education - programs to create a favorable environment and opportunities for women who want to increase their level of knowledge and gain deep knowledge in various disciplines for the further development of science;
- In the field of healthcare and medicine - programs aimed at ensuring the health of women and mothers, popularizing a healthy lifestyle;
- In the field of a healthy family - programs for preparing young women to start a family, maintaining family values and forming a healthy life and child education;
- In the field of business and service - volunteer and volunteering programs to develop women's leadership skills;

- In the field of fashion and beauty - programs aimed at discovering the natural beauty of women, forming their personal image, uniqueness, self-image, brand;
- In the field of mass media, Internet and IT technologies - programs that create the necessary conditions for young girls to be active in information technologies, programming, and social networks;
- In the field of motherhood and child protection - programs aimed at providing favorable working conditions for working mothers, women planning to go on pregnancy and maternity leave.

Summarizing the above, it should be noted that today's socio-economic changes in society have different effects on men and women, and determine their place in the family, work team, and those around them.In Uzbekistan, it is necessary to increase the status of social institutions in order to ensure respect and attention to women, to increase the effectiveness of the work being done to develop women's leadership in family and business.It is necessary to increase the methods of formation and development of women's personal and professional skills.Then we can fully protect girls, women and mothers from global and vital threats.

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# THE ROLE OF HUMAN CAPITAL IN ENHANCING INNOVATION ACTIVITIES IN HIGHER EDUCATION

**Gafurova Dilshoda Ramazanovna**[1]

***ABSTRACT***

*The transformation of higher education institutions into innovation-driven entities is fundamentally dependent on the quality and capacity of their human capital. This article explores the pivotal role of academic and administrative personnel in fostering innovative practices, promoting research productivity, and advancing institutional competitiveness. Drawing upon international benchmarks and case studies from Uzbekistan, the paper analyzes how strategic investment in human resources - including recruitment, professional development, and motivation - contributes to the sustainable development of higher education innovation ecosystems.*

***Keywords**: higher education, innovation activity, human capital, academic staff, research productivity.*

## Introduction

In the era of the Fourth Industrial Revolution, higher education systems are undergoing profound transformations as they seek to align themselves with the demands of rapidly evolving knowledge-based economies. Universities are no longer viewed solely as centers for knowledge dissemination, but as active contributors to national innovation systems, playing a vital role in scientific advancement, technological development, and socio-economic progress. At the heart of this transformation lies the critical role of human capital - the collective skills, knowledge, experience, and creativity of academic, administrative, and research staff.

Human capital is widely recognized as a key enabler of innovation across all sectors, and its significance in higher education is even more pronounced. Academic staff are not only responsible for teaching and research but also serve as agents of institutional change, innovation leaders, and contributors to policy formation. The effectiveness of innovation strategies within universities is therefore highly dependent on the quality and capacity of their personnel. Investment in human capital - through recruitment, training, career development, and motivation - directly influences a university's ability to produce impactful research, build international collaborations, and generate solutions to contemporary societal challenges.

In the context of Uzbekistan and other developing countries, enhancing the innovation capacity of higher education institutions requires a strategic focus on strengthening human capital. While policy reforms have increasingly emphasized modernization and internationalization, the practical implementation of innovation-oriented strategies remains inconsistent due to gaps in talent management, limited professional development opportunities, and rigid institutional structures. As such, understanding the mechanisms through which human capital contributes to innovation becomes essential for formulating effective educational policies and institutional strategies.

[1] Kimyo International university in Tashkent PhD, acting professor

This article aims to explore the multifaceted role of human capital in driving innovation within higher education institutions. By analyzing theoretical frameworks and practical examples from both global and local contexts, the study seeks to identify the factors that enable or hinder innovation through human capital. Furthermore, it provides recommendations for policymakers and university leaders on how to foster a culture of innovation through strategic human resource development.

**Literature Review**

The role of human capital in stimulating innovation within higher education has been widely examined by researchers across disciplines. The foundational theory by Becker (1964) conceptualizes human capital as a critical determinant of productivity and economic growth, laying the groundwork for understanding its relevance in educational and research institutions. Building upon this, Drucker (1993) emphasized the transition towards a knowledge-based society, where universities become the primary generators of intellectual capital and innovation.

Numerous studies have identified the quality of academic staff as a decisive factor in determining institutional innovation performance. According to Altbach et al. (2009), well-qualified and internationally engaged faculty members contribute significantly to research output, curriculum modernization, and knowledge transfer. Similarly, OECD (2019) reports that investment in academic professional development correlates positively with scientific publication rates, patent registration, and university-industry collaboration.

In the context of developing countries, particularly in post-Soviet regions like Uzbekistan, scholars have noted the challenges of human capital development in higher education. Yuldashev and Tursunov (2020) argue that despite policy reforms aimed at modernization, many institutions still struggle with outdated HR practices and brain drain. Studies by UNESCO (2021) highlight the growing need for competency-based recruitment, performance appraisal systems, and innovation-oriented leadership models to unlock the full potential of human resources.

Moreover, research by Marginson (2016) and Teixeira (2018) points out that innovation ecosystems within universities thrive when academic autonomy is paired with targeted capacity building. These findings are supported by empirical data showing that universities that actively support sabbaticals, interdisciplinary research teams, and international exchange programs tend to achieve higher innovation indices.

Taken together, the literature reveals a strong and consistent link between the development of human capital and the capacity of higher education institutions to innovate. However, regional and institutional disparities necessitate more context-specific studies to design effective strategies for maximizing the impact of human capital on academic innovation.

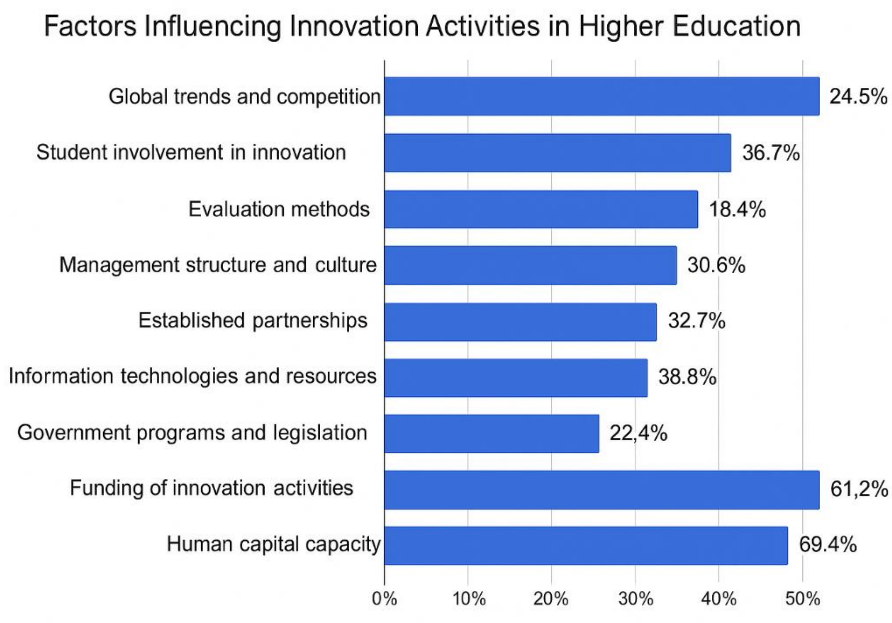
**Analysis of Factors Influencing Innovation Activities in Higher Education**

To better understand the key factors influencing innovation activities in higher education institutions, a structured survey was conducted among academic and administrative representatives from 169 universities across Uzbekistan. The survey aimed to gather expert opinions on various institutional, organizational, and infrastructural elements that affect the development and implementation of innovation.

The data collection process involved the use of quantitative research methods, particularly a standardized questionnaire consisting of closed-ended and Likert-scale questions. Respondents were asked to evaluate the importance of several pre-identified factors - such as human capital, funding, digital infrastructure, policy environment, and collaboration mechanisms - in terms of their impact on institutional innovation capacity.

Descriptive statistical analysis was applied to summarize the responses and identify the most influential factors. The survey results were then visualized using bar charts to clearly reflect the relative weight and perception of each variable. The reliability of the survey tool was ensured through a pilot test, and data processing was carried out using spreadsheet and basic statistical tools (e.g., frequency analysis, percentage distribution).

The chart illustrates the perceived significance of various factors influencing innovation activities in higher education institutions. Among the identified components, human capital capacity (69.4%) was recognized as the most critical driver, highlighting the central role of qualified, motivated, and competent personnel in advancing institutional innovation. This aligns with our main thesis that enhancing human capital is essential for fostering a sustainable innovation ecosystem.




**Pic.1. Factors influencing Innovation activities in Higher education**

Following closely is the financing of innovation activities (61.2%), which suggests that adequate resource allocation remains a major enabler. Without sufficient funding, efforts to modernize curricula, acquire new technologies, or support faculty research are severely limited. This finding is consistent with studies by OECD (2019), which emphasize the direct relationship between financial inputs and innovation outputs.

The role of ICT infrastructure and digital resources (38.8%) also emerged as a notable factor, underlining the importance of digitalization in education. Well-established IT systems facilitate access to data, collaboration platforms, and digital learning environments that foster innovation in pedagogy and research.

Student involvement in innovation (36.7%), partnership development (32.7%), and organizational structure and culture (30.6%) were moderately valued. These dimensions point to the need for a more participatory approach to innovation, where not only faculty but also students and external stakeholders contribute to the innovation process.

In contrast, evaluation mechanisms (18.4%), government policy and legislation (22.4%), and global trends and competition (24.5%) were perceived as less impactful. This could reflect a gap between macro-level policy frameworks and their implementation at the institutional level, or a lack of awareness of how global trends affect local innovation strategies.

**Findings and Discussion**

The results of the survey conducted among academic staff in higher education institutions highlight several key barriers that hinder innovation activities. As illustrated in Figure 1, the most significant constraint identified is financial limitations (28 responses), followed closely by bureaucratic procedures (24) and lack of motivation (24). These findings support our primary hypothesis (H1), which posits that insufficient funding, administrative rigidity, and inadequate staff motivation are the primary obstacles to fostering innovation in universities.

These results are consistent with the findings of OECD (2019) and UNESCO (2021), which emphasize that financial autonomy and performance-based funding are critical for enabling institutional innovation. In the context of Uzbekistan, where state funding for research and innovation remains limited, universities often lack the resources to implement modern teaching technologies or support interdisciplinary research.

In addition, the absence of an innovation culture and a clear understanding of the value of innovation (11 responses each) suggests a systemic gap in internal communication and strategic alignment. Without a shared institutional vision that promotes experimentation and knowledge-sharing, faculty members are less likely to engage in innovative practices.

The issue of conservatism and resistance to change (18 responses) reflects a broader organizational inertia, where traditional methods dominate and staff may be hesitant to adopt new technologies or pedagogical models. This cultural resistance can significantly delay or derail innovation projects, especially when not supported by leadership.

Interestingly, time constraints (10 responses) and risk aversion (5 responses) were perceived as less critical. This suggests that while time and risk management are relevant factors, they are not as impactful as structural and motivational challenges in the context of academic innovation.

These findings indicate a need for comprehensive human capital strategies that go beyond training and hiring. Institutional leaders should focus on creating enabling environments - reducing bureaucracy, incentivizing innovation, and embedding a culture of experimentation and openness.

**Conclusion**

This study has highlighted the central role of human capital in enhancing innovation activities within higher education institutions. Based on data collected from 169 universities, it is evident that the qualifications, motivation, and engagement of academic and administrative staff are perceived as the most influential factors in driving institutional innovation. In particular, human capital capacity (69.4%) and the financing of innovation activities (61.2%) were identified as the most critical enablers of progress, far outweighing other factors such as ICT infrastructure, student involvement, and government policy.

The findings confirm the hypothesis that investment in human capital development is not merely beneficial but essential for fostering sustainable innovation ecosystems in universities. Moreover, they reveal a gap between strategic goals and operational realities—especially in resource allocation, organizational culture, and institutional support mechanisms.

To address these challenges, higher education institutions must adopt comprehensive strategies that prioritize the professional development of their personnel, reduce bureaucratic constraints, and promote a culture of innovation and experimentation. National policies should also support universities through targeted funding, international collaboration programs, and flexible regulatory frameworks.

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# OPTIMIZING THE CONTRIBUTION OF SPORTS ADVERTISING TO THE ADVANCEMENT OF PHYSICAL EDUCATION AND SPORTS

**B.Y.Hamraev**[1]

**ABSTRACT**

*This article highlights the economic and social issues of widely promoting sports and establishing sports advertising in the development of physical education and sports. At the same time, special attention is paid to the issues of involving young people in our country in sports through the development of sports advertising, as well as the advertisements presented by the mass media. Foreign countries have been analyzed in the field of sports advertising. Scientific and practical recommendations have been developed on the prospects for developing sports advertising in the advertising market.*

***Keywords:*** *Youth Involvement In Sports, Sports Advertising, International Sports Market, Popularization of Sports, Promotion in the Advertising Market, Foreign Sports Advertising.*

## Introduction

Physical education and sports play a significant role in introducing the country to the world. Therefore, in recent years, measures have also been implemented to prioritize the development of physical education and sports and to widely promote sports participation among the population. Sport has become a priority in our country in terms of stable political development.

In Uzbekistan, the adoption of more than 130 decrees and resolutions of the President of the Republic of Uzbekistan, resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, and regulatory legal documents related to the field has laid a solid foundation for the development of physical education and sports.

Sufficient sports advertising activities have not been established to widely promote physical education and sports and to ensure the involvement and continuous participation of citizens in mass sports. In this regard, as one of the urgent issues, establishing sports advertising and developing sports advertisements aimed at involving the population of all ages in sports is of great importance.

## Literature Review.

Article 17 of the Law of the Republic of Uzbekistan No. 723-I of December 25, 1998, "On Advertising," "Advertising on Television and Radio," states that the broadcast time allocated for advertising for television and radio organizations should not exceed 10 percent per hour of broadcasting. This requirement does not apply to specialized advertising channels of the program. Concert-performance and sports programs, films and telefilms lasting more than 45 minutes may be interrupted for advertising no more than once in a full 45-minute time interval.

Within the established advertising framework, it can also be placed before the start and after the end of broadcasts. It is emphasized that advertising cannot be placed at all in TV shows lasting less than 10 minutes, and in TV shows lasting more than 10 minutes without the consent of the copyright holder of these TV shows.

[1] JTSMQTMOI " Associate Professor (Acting), Department of "Sports Psychology, Socio-Humanitarian and Natural Sciences

## RESULTS AND DISCUSSIONS.

The advertising market in our republic is developing year by year. While the advertising market encourages the development of a competitive environment between networks and enterprises, it also serves to improve the quality of trade and service provision through advertising.

Implementing advertising related to physical education and sports in our country's advertising market contributes to the strategic development of sports activities. Currently, increasing the role of sports marketing in the development of sports advertising is of great importance in solving pressing issues awaiting solutions in the field of sports advertising.

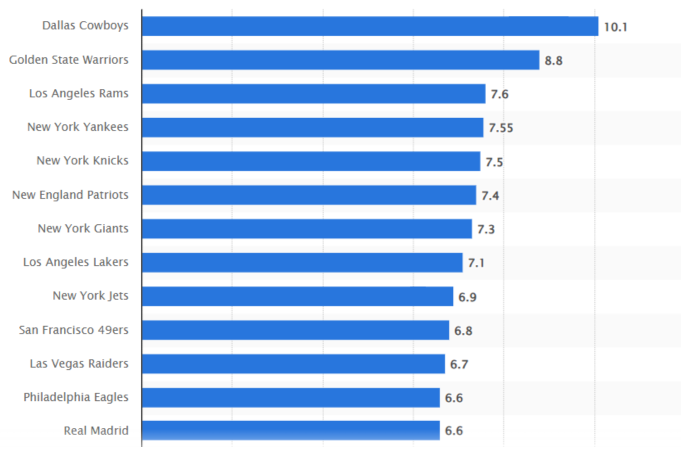
Today, we rarely encounter advertisements promoting sports in the mass media. Therefore, the widespread implementation of sports advertising in the advertising market is one of today's pressing issues. The number of private enterprises and sports clubs conducting sports activities in our country is increasing. However, there is almost no information about this presented in the mass media or in outdoor advertising.

Sports advertising is a marketing activity carried out to promote and sell sports-related products, services, or various sports events to the general public. Through this type of advertising, various companies can also promote their brand to a wide audience, provide mass support for sports, and establish close relationships with consumers.

- Increasing brand awareness to a broad audience;
- Boosting sales volume of various products and services;
- Encouraging widespread engagement with sports events;
- Building trust through sponsorship of a team or athlete;
- Influencing the target audience.

**Looking at Global Sports Advertising,** Television remains one of the most popular and effective advertising channels worldwide. Despite the ongoing digitalization of the advertising industry and the rise of online video streaming services, marketers still leverage (linear) TV opportunities to promote their brands.

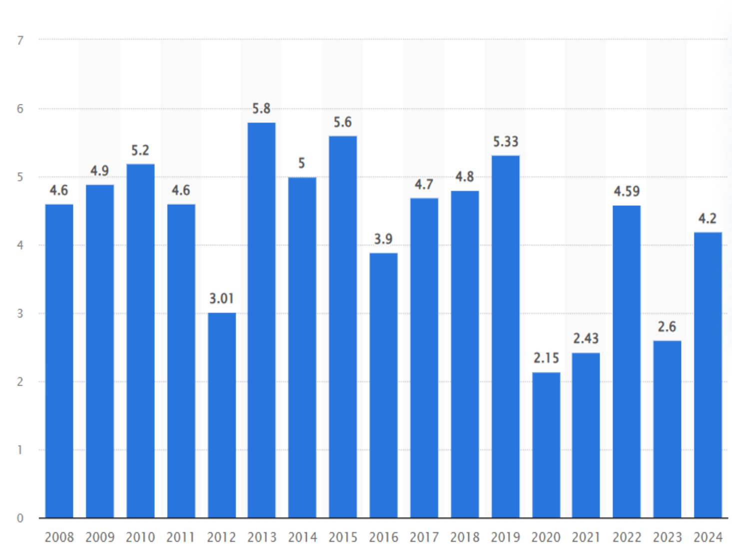
This is also true in the United States, where it is estimated that there will be 125 million television households during the 2023-2024 television season. TV ad spending in the US is projected to reach approximately 60.6 billion US dollars in 2024. Furthermore, linear TV, ranked seventh among leading channels in North America, planned to increase its spending in the fourth quarter of 2023.




**1-Figure. 2024- World's Most Valuable Sports Teams (in billion USD)**

The Big Four sports leagues in the United States dominated the ranking of the world's most valuable teams in 2024, with the NFL franchise, the Dallas Cowboys, holding an estimated value of over $10 billion USD. Meanwhile, the most valuable soccer club was Real Madrid, valued at $6.6 billion USD.

The National Football League (NFL) was founded in 1920 and is currently a professional American football league composed of 32 franchises, divided into two conferences: the National Football Conference (NFC) and the American Football Conference (AFC). The league culminates with the Super Bowl, the NFL's annual championship game. As the league's championship game, the Super Bowl has become one of the world's largest single-day sporting events, attracting high television ratings and generating billions of dollars in consumer spending.




**2-Figure. National Hockey League Stanley Cup Games: Average Television Viewership (in millions) from 2008 to 2024**

The Stanley Cup Final is the championship series of the National Hockey League (NHL), determining the winner of the Stanley Cup. In 2024, the average US television viewership was 4.2 million per game. The previous year, in 2023, the average US television viewership was 2.6 million.

The Stanley Cup is a championship trophy awarded annually to the team that wins the NHL playoffs. It is the oldest trophy awarded to a professional sports franchise in North America, and players desire to have their team's name engraved on it. As of 2023, the player with the most Stanley Cup wins is Henri Richard. The center won 11 Stanley Cups with the Montreal Canadiens between 1955 and 1975.

***Top Television Advertisers and the Ongoing Scramble for Coveted Ad Space.***

About eighty years after the first commercial aired on US television, advertisements have become an integral part of the television viewing experience. Advertising time during primetime on broadcast networks like ABC, NBC, or FOX varies, averaging between 12 and 17 minutes per hour. While viewers are exposed to advertising messages daily, airtime during top-rated TV shows, sporting events, and award ceremonies is especially popular among US marketers. This popularity has driven budgets to new heights: the average cost of a 30-second television commercial during the Super Bowl in 2024 reached a record-breaking seven million dollars. Furthermore, Super Bowl advertising revenue totaled $600 million the year prior. Overall, Procter & Gamble is the largest television advertiser in the country, followed by many other companies with substantial advertising budgets, such as Amazon and Berkshire Hathaway.

***Reaching Television Audiences in an Evolving Multimedia Landscape.*** As the pay TV landscape faces increased competition from over-the-top (OTT) media and other non-linear streaming alternatives, marketers have begun to adapt their advertising strategies to shifts in viewing behavior and preferences. In 2022, connected TV (CTV) ad spending in the US totaled $20.7 billion, and recent forecasts suggest that this figure will more than double by 2027.

CTV advertising allows brands to reach their audience on smart TVs and OTT devices, including streaming players or internet-connected game consoles. Programmatic CTV ad spending is expected to reach approximately 99 percent of internet-connected US households in the third quarter of 2023, allowing for more efficient audience targeting, and marketers are increasingly focusing on non-linear video content consumption. Additionally, retail media ad spend on CTV devices is also projected to boom, with an increase of over two billion dollars between 2022 and 2025.

***CTV: Potential and Challenges.*** Connected TV advertising in the US is likely to remain important in the coming years. By 2025, the number of connected TV users in the US will exceed 200 million. In addition, the share of CTV in advertising spending in the country is projected to increase in the coming years. However, there are some obstacles in the way of CTV. As of March 2023, macroeconomic changes ranked first among the main obstacles hindering US CTV advertising spending.

By placing sports-related advertisements in the advertising market, we can encourage the next generation's interest in physical education and sports. The main issues that should be focused on in the development of sports advertising are:

- Sports advertisements should be prepared in a way that interests everyone equally;
- Placing advertisements related to the widespread promotion of sports competitions in order to effectively use sports infrastructure;
- Establishing mutually beneficial cooperation with advertising companies that organize international sports advertising;
- Encouraging the promotion of national sports products at international sports competitions;
- Developing advertisements for organizing mass sports competitions.

Advertising is the path to competition. Therefore, if sports enterprises aim for sustainable development, they should pay attention to sports advertising. For this, it is also necessary to pay attention to organizational and legal issues in establishing cooperation with the media.

By widely promoting sports advertising, it becomes possible to encourage and support the development of professional and mass sports, including sports games and winter sports, to widely introduce modern innovative technologies into the sports training process, taking into account advanced international experience, to study foreign experiences in this regard, to increase the level and quality of national championships in all sports, and to achieve the organization of international and regional competitions.

Today, the importance of sports marketing is unparalleled in the development of sports advertising, so by widely promoting sports advertising, we create the foundation for the development of sports.

## CONCLUSION

In conclusion, it is worth noting that the widespread implementation of sports advertising will lead to the creation of a competitive environment in the sports business, as well as the efficient use of sports equipment.

By developing sports advertising, each sports product or service will find its consumer, and a foundation will be laid for increasing revenue sources by increasing the number of sports fans and spectators for various sports. Today, when preparing sports advertisements, it is necessary to involve sports marketing specialists and focus on encouraging the promotion of national products at international sports competitions.

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# FOREIGN EXPERIENCE IN USING TRANSPORT SYSTEMS AS A FACTOR OF ECONOMIC DEVELOPMENT

**Abdurakhmanova[1]**

***ABSTRACT***

*The article provides a comparative description of foreign transport systems acting as a factor of economic development. Transport is the most important component in ensuring international economic relations, which turns from the material base of the circulation process into an intersectoral complex that determines the state of the entire economy, the lifestyle of the population, and the possibility for states to achieve foreign economic and political goals. At the same time, the creation of transport infrastructure facilities, such as transport centers, is becoming a priority.*

***Key words**. Transport Systems, Economics, Foreign Experience, Infrastructure, Logistics, Production.*

## INTRODUCTION

The leading sector of material production is transport, without which it would be impossible to overcome the territorial gap between the production and consumption of goods and services. According to the World Bank, the global transport market is estimated at $4.2 trillion (6.8% of global GDP)[1]. Like the global economy itself, transport has become a very complex, interdependent, technology-driven industry that consumes a significant portion of the world's energy and natural resources.

The availability of a well-developed transport system is one of the important factors attracting population and production, is an important advantage for the location of productive forces, and provides an integration effect.

Foreign experience shows that the strategic development of transport systems, as well as the integration of various modes of transport, significantly accelerate economic growth, increasing accessibility and reducing costs in various sectors of the economy. Countries with highly developed transport networks are able to ensure higher rates of economic development, improving social conditions and increasing production capacity. Improving transport systems as a tool for economic development represents a variety of solutions that are focused on improving infrastructure, optimizing transportation, and implementing new technologies. These systems not only contribute to economic growth, but also create additional jobs, develop innovative industries, and increase the investment attractiveness of regions.

## RESULTS AND DISCUSSION

Foreign experience in using transport systems as a factor of economic development attracts the attention of many researchers and practitioners in various countries. In the literature, several main areas of analysis related to this issue can be distinguished, including theoretical approaches, empirical studies, and examples of practical application.

Theoretical Foundations of the Relationship Between Transport and the Economy: A number of scientists consider transport as a key factor stimulating economic growth. According to the theory of regional

[1] M.T., Senior Lecturer, Faculty of Economics and AT, Department of Economics and Tourism, ORIENTAL University Republic of Uzbekistan, Tashkent

development, presented in the works of scientists such as Christaller, Michael, and Harvey, transport systems help reduce logistics costs, improve market accessibility, and develop trade. For example, Christaller's studies [6] show that improving transport infrastructure reduces transport costs, which directly affects the growth of gross domestic product (GDP) both at the level of individual regions and at the level of the country as a whole.

Economic Efficiency of Transport Investments: An important part of the analysis is the issue of the economic efficiency of investments in transport. In this context, many researchers, including Jeffrey Higgins and Peter James [8], in their work pay attention to how transport systems can accelerate the processes of economic integration, lead to increased productivity, and reduce the cost of transportation. The justification for investments in transport infrastructure as a long-term and sustainable asset is widely represented in the theory of economic cycles and dynamics with the involvement of econometric models.

Modern research also often focuses on empirical data comparing the successes of different countries in using transport systems to stimulate economic growth. For example, works on the development of transport networks in the countries of the European Union (EU) and Asia (for example, studies conducted by Ngo Thanh [7] show how efficient transport systems help improve the economic performance of countries by increasing the mobility of the workforce and reducing the time and financial costs of moving goods. Much attention is paid to the experience of Germany and Japan, where innovations in transport and logistics have significantly improved the economic situation of these countries. In particular, high-speed rail systems in Japan and integrated logistics networks in Germany serve as examples of how transport can contribute to sustainable economic growth.

In recent decades, research has focused particularly on the impact of transport systems on sustainable economic development. Works such as the studies of Weiner and Kristensen [4] consider not only the economic, but also the social and environmental aspects of transport use. In the context of climate change and growing urbanization, there is a growing need for environmentally friendly and energy-efficient transport solutions, which also affects the development of the economy. For example, the introduction of electric vehicles, the improvement of urban transport infrastructure, and the creation of multimodal logistics chains are becoming an integral part of the modern economy, requiring innovative approaches.

In recent years, researchers have been paying increasing attention to the digitalization of transport systems, considering it as an important factor in economic development. The development of intelligent transport systems (ITS), automation of transportation, the use of big data and the Internet of Things (IoT) significantly increase the efficiency of transport infrastructure. For example, the works of I. Weiner and S. Kristensen describe how the introduction of innovative technologies in the transport sector, such as dynamic pricing and routing systems, significantly reduces costs and transportation time, which in turn stimulates economic activity. Thus, the literature on the use of transport systems as a factor in economic development demonstrates a wide range of research, from theoretical concepts to practical examples, covering various aspects of transport activity. This emphasizes the importance of transport for the economy and the need for further research in this area, aimed at studying its role in the context of global economic changes.

In analyzing the foreign experience of a country's economic development in the transport system, existing research works on economic and legal views, analytical methods such as analysis and synthesis, induction and deduction, comparison, as well as economic and statistical data were used.

The global transport system is heterogeneous, and it is possible to distinguish transport systems of economically developed and developing countries, several regional heterogeneous transport systems: North America, Foreign Europe, CIS countries, Asia, Latin America, Australia. The density of the transport network, which to the greatest extent characterizes its provision, is 50-60 km per 100 km of territory in most developed countries, and 5-10 km in developing countries. Economically developed countries account for more than 80% of the world's car fleet, they contain almost 2/3 of all ports in the world, and 3/4 of world cargo turnover is carried out. [2] This transport subsystem is also characterized by a high technical level..

**Table 1 :**

**Studies by Scientists from Europe and the CIS on the Development of the Transport Network**

| № | Research Scholar | Research topic | Main hypothesis | Research area |
|---|---|---|---|---|
| 1. | P. Ragnar (Germany) | Intersectoral Impact of Infrastructure and Systems Approach in Transportation. | Analysis of dynamic interrelationships between industrial and transport systems. | Analysis of dynamic interrelationships between industrial and transport systems. |
| 2. | J. Perru (France) | The economic role of transport networks in regional development | Transportation accelerates regional economic growth as a catalyst. | Socio-economic modeling of regional transport infrastructure |
| 3. | A. Baumann (Switzerland) | Logistics systems and innovative management technologies in transportation | Logistics efficiency depends on innovative reorganization of the transport system. | Ways to implement innovative logistics technologies |
| 4. | S.N. Svetunkov (Russia) | Economics of industries and models for the development of transport infrastructure | Infrastructure development determines comprehensive economic growth on an industrial scale. | Models of economic efficiency of infrastructure systems |
| 5. | V.N. Zhurkovsky (Belarus) | Transport policy and the mechanism of state planning | Transport policy is closely linked to macroeconomic stability. | Strategic Analysis and Forecasting of Transport Policy |
| 6. | A.S. Zlobin (Russia) | Transport policy and the mechanism of state planning | Transport policy is closely linked to macroeconomic stability | Strategic Analysis and Forecasting of Transport Policy |
| 7. | N.H. Azimov (Uzbekistan) | Intersectoral Integration of Transport Logistics in Uzbekistan | Intersectoral logistics systems contribute to increasing export potential | Formation of Intersectoral Logistics Platforms |
| 8. | Sh.K. Kurbonov (Uzbekistan) | Economic assessment of the mutual influence of industrial infrastructure and transport. | Transport – the basis for coordinating resource flows in industrial sectors | Economic Modeling of the Integration of Production and Transport |

All of the presented studies are aimed at examining the relationship and interaction of transport infrastructure with various economic sectors, as well as developing effective management and planning models in the transport sector. Scientists from different countries consider transport not only as a separate system but also as an integrated part of the economy, influencing regional development, industry, and export potential. Special attention is paid to innovative technologies in logistics, systematic approaches to infrastructure development, and intersectoral coordination. Studies emphasize the importance of state regulation and strategic planning to ensure macroeconomic stability and sustainable growth. As a result, a comprehensive and systematic analysis of transport systems allows optimizing their operation, improving economic efficiency, and contributing to socio-economic development at the regional and national levels..

Main Trends in the Development and Functioning of Foreign Transport Systems

**1. The European Transport System**

The purposeful development of the transport system in Western Europe began in the early 1980s and was driven by the high growth dynamics of freight and passenger transport in the context of globalization of world commodity markets. The total turnover of the European market for transport services reaches over 600 billion euros [3].

Growing competition between commodity producers has led to the need to create new types of transport, develop transport infrastructure, and introduce advanced transport and logistics technologies, which has ultimately reduced the transport component in the final price of goods to 10-12%, and total costs for commodity producers on transport and logistics services by 10-30%.

One of the trends in the development of modern transport infrastructure in Europe is the formation of a unified system of commodity distribution, which provides for several core transport hubs participating in the international freight transport system, and regional transport and distribution centers interacting with them.

The following were defined as the main tasks:

- Attracting large private investment in the industry;
- Constructing high-tech production and storage facilities and a comprehensive infrastructure of roadside services;
- Creating modern and efficient systems of engineering, technical, communication and information support;
- Introducing modern information technologies for tracking shipments, optimizing vehicle loading, managing information exchange, accounting and document management based on the use of international standards and norms;
- improving customs inspection, clearance, and control procedures for goods and vehicles, bringing them into line with global practices;
- Attracting major transport and forwarding companies specializing in cargo delivery using information network and terminal technologies for organizing the transport process and contract logistics;
- Creating an effective distribution network for developing large retail structures and chains, as well as wholesale and small-wholesale warehouse stores selling imported goods, aimed at revitalizing and legalizing the trading and purchasing business of private entrepreneurial structures.

**2. The German Transport System.**

In Germany’s total freight turnover, road transport plays the main role (around 66%), followed by rail (16.2%), inland waterway (around 14.3%), and pipeline (around 3.5%).

Since the 1930s, German state authorities have traditionally paid close attention to developing a network of top-class roads – motorways (Autobahnen) – without at-grade intersections, with their total length nearing 12,000 km.

German transport policy is defined by a whole complex of national documents: a concept, strategic (up to 10 years), tactical (5 years), and operational (up to 1 year) plans, which include national development plans for individual transport sectors as well as transport infrastructure.

The main strategic priority areas in developing the German transport system are:

- Ensuring growth in mobility as a crucial factor for the stability of the German economy;
- Creating conditions for free and equal competition for all transport companies and compensating transport costs;
- Modernizing the rail network through a policy of state investment;
- increasing transport safety both by providing more space for pedestrians and cyclists in towns and cities and by reducing speed limits in built-up areas;
- Creating conditions for fair competition in the transport services sector on European markets by eliminating the deficit of coordination in the fields of taxation as well as technical and social standards;
- Developing combined transport involving environmentally friendly modes of transport (rail and waterway);
- Shaping a national transport policy that considers the overall European situation and the requirements for effectively securing transit interconnections through the country.

The prospects for developing the country's transport system are linked to improving the system of trans-European main lines, combined transport systems, as well as inland waterways and national motorways that are included in the continental transport network.

**3. The U.S. Transport System**

The United States has the most powerful transport system in the world. Transport is defined as the main driver of the country’s economic growth. Main efforts in developing transport in the U.S. are aimed at adapting the American transport system to the prospective requirements of the global economy. In this regard, the primary planning document for transport development is the Long-Term Concept for the Development of the U.S. in the 21st Century.

Each year, programs are adjusted depending on the volume of appropriations allocated to the transport system. The modern transport services market in the U.S. differs substantially from Europe, where transport companies develop under conditions of European integration, and Asia, where state borders exert a significant influence on transport and logistics solutions.

After the creation of the North American Free Trade Area (NAFTA) in 1992, the largest region in the world with free movement of goods was formed. This created an economic environment in which companies can freely choose the optimal options for locating production facilities and sales zones, and thus stimulated the search for effective transport solutions. US manufacturers faced the question of whether to perform transport and logistics operations independently or to turn to the services of specialized firms. More than 70% of the largest US corporations use the services of specialized transport companies.

In addition, three main programs are currently being implemented in the United States in the field of transport system development:

**1. Economic Development Program.**

The results of its implementation are:

- Slower growth in prices for transport services;
- Reduction of trade restrictions related to the development of transport;
- Increasing the competitiveness of the United States in the international market in the field of transport services;
- Increase in transportation volumes;
- Involvement in economic activity of small businesses and so-called unprofitable industries.
- This document provides for 5 strategic directions for the development of the transport system:
- Attracting investment in the construction and operation of transport systems;
- Increasing the efficiency of the existing transport system;
- Supporting regulatory rules, documents, and standard provisions that contribute to the introduction of new technologies and the development of trade;
- Improving the transport system using modern methods of analysis and information processing;
- Accelerated use of innovative technologies.

**2. Program in the social sphere and environmental protection.**

The main results of the implementation of this program:

- Improving the state and life of all spheres of public relations;
- Reduction of the negative impact of transport on the state of ecosystems and the environment;
- Improving the life of ecosystems;
- Reduction of the negative impact of vehicles on society and the environment;
- Improving the use of vehicles and services for the low-income population and national minorities.
- The program includes 6 strategic tasks:
- Planning the development of vehicles;

- Development of regulatory documents, regulations, laws, and the definition of policy in the social sphere and environmental protection, both at the national and international levels;
- Development of alternative vehicles;
- Improvement of information sources characterizing the relationship between transport and the environment;
- Reducing the negative impact of transport on the environment and supporting scientific research programs in this direction.

**3. The Mobility Program is aimed at providing the greatest convenience in serving the population, goods, and regions with transport.**

- The results of the implementation of this program:
- Improving the current state of the transport system;
- Reducing travel time for users of vehicles;
- Increasing reliability and safety for users of vehicles;
- Reducing transport costs for transport users.

**4. Chinese transport system.**

- The dynamically developing economy of China has led to the rapid pace of development of the transport system..
- In the PRC, a unified transport strategy of the "Great Leap Forward" has been developed and is being implemented. Among the main directions for the development of the transport system, the following are proposed:
- increasing the speed of transportation;
- ensuring the delivery of goods "door-to-door";
- the formation of an effective transport system of the country that meets the needs of sustainable economic development.
- The following provisions were determined for transport enterprises with foreign investments:
- The need to obtain permission from the relevant competent authorities of the PRC in accordance with the current legislation to carry out the organization of transportation, as well as the creation and use of information and computing network systems.
- The requirement of successful experience in the field of international trade, international cargo transportation, or practice as an agent for these transportations;
- The possibility of providing services for the transportation of goods, warehousing, loading and unloading operations, packaging, consolidation and assembly, information support, as well as services for the execution of foreign trade contracts for the import and export of goods;

Within the framework of the state strategy for the development of the transport industry of the PRC, it is also planned to create transport centers for servicing export-import cargo flows and storing goods without paying customs duties and taxes.

Considering the foreign experience in the development and operation of transport systems on the example of countries that hold leading positions in the world in the field of transport system development, the following aspects are characteristic of them:

1) participation and comprehensive support of the state in all areas of development of the transport and logistics industry;

2) preliminary analysis of efficiency when planning a location for transport and logistics centers, the construction of logistics centers in places with advantageous characteristics: major transport hubs, free economic zones or regions with active economic development;

3) optimization of logistics processes based on the use of digital technologies and automation of technological operations;

4) development of multifunctional transport and logistics centers capable of ensuring effective interaction of different modes of transport, comprehensive warehouse services, including the implementation of all necessary customs operations, and, if necessary, providing the entire volume of commercial, consulting, and service services;

5) the integration of individual participants in the transport and logistics sector into a single system that promotes the optimization of transport processes and the free development of the logistics network, and the reduction of delivery times of goods.

**Table 2**

**Direct and Indirect Impact of the Transport System on Economic Development with Examples from International Experience**

| Type of influence | Factor | Example | Germany, Japan |
|---|---|---|---|
| Direct influence | **Increased productivity and reduced costs** | Transport systems (e.g., high-speed railways, highways) allow businesses to reduce transport times and lower costs. | Germany, Japan |
| | **Reducing logistics costs** | A developed transport network contributes to reducing the cost of goods and services and stimulates business expansion. | USA, China |
| | **Job creation** | The construction and modernization of transport infrastructure (airports, railways, ports) creates jobs | South Korea, Turkey |
| | **Development of domestic trade** | Effective distribution of goods within the country through a developed transport network. | Canada, Australia |
| **Indirect** | **Development of** | Transport infrastructure, as in Singapore, is an | Singapore |

| Type of influence | Factor | Example | Germany, Japan |
|---|---|---|---|
| **influence** | **foreign trade** | important transit hub, which promotes GDP growth and foreign trade. | |
| | **Attracting foreign investment** | Active investment in transport infrastructure (e.g., China's "Belt and Road Initiative") stimulates the inflow of investment. | China |
| | **Reducing social inequality** | Improving transport accessibility for remote regions reduces social inequality and increases people's mobility. | Sweden, Netherlands |
| | **Regional integration and improved connectivity** | The development of transport corridors between regions promotes improved economic ties and access to new markets. | India, Brazil |
| | **Sustainable development and ecology** | The development of environmentally friendly transport and improvement of the sustainability of transport systems contributes to balanced economic growth. | Germany, France, Norway |

This table provides a clear overview of the various factors influencing the transport system on the economy, as well as examples of countries where these effects are manifested in practice.

"Foreign experience in using transport systems as a factor in economic development" covers the important relationship between transport infrastructure and economic growth. Various approaches and methods can be used to formalize this process. One of them is the analysis of the economic impact of transport systems through the integration of factors influencing productivity, trade, and investment.

The following simplified formula can be proposed, which may display the impact of the transport system on economic development:

$E = f(T, I, P, D)$

Where:

E - economic development (e.g., GDP, employment rate, per capita income, etc.),

T - quality and volume of transport infrastructure (e.g., road length, accessibility of transport networks),

I - investment in the transport sector (investments in construction, modernization, and improvement of the safety of transport systems),

P - productivity (efficiency of transportation, reduction of costs and time for logistics),

D - accessibility and reliability of transport services for business and the population.

This formula shows that economic development depends on various factors related to transport. Improving transport infrastructure and the effective use of transport systems contribute to the reduction of costs, improved access to markets, and increased trade, which, in turn, can increase economic activity and the standard of living.

Equally important is the task of introducing unified technological operations between the communicating structures of the logistics network, bringing all transport logistics management systems to unified standards. Achieving unity of operational, technological, documentary interaction and a holistic transport space is significantly simplified by the formation of large transport and logistics centers, which make it possible to achieve the economic efficiency of the implemented measures in a much shorter time due to the scale of cargo turnover.

## CONCLUSION

Despite the positive experience of foreign countries, in a number of regions of the world, transport infrastructure remains insufficiently developed, which hinders economic growth. Modern challenges, such as climate change and urbanization, require the search for new solutions in the field of transport systems development, focused on environmental friendliness and sustainability. A promising direction is the development of intelligent transport systems based on the use of digital technologies and artificial intelligence.

D.I. Mendeleev argued that transport is the center of gravity of the country. According to the Organization for Economic Cooperation and Development, investments in the global transport system until 2030 should amount to more than $11 trillion, including in the development of railways - $5 trillion.

The transport system of the Republic of Uzbekistan is part of the global transport system. The implementation of the Transport Strategy of the Republic of Uzbekistan, taking into account foreign experience, coordination based on its provisions of the actions of all branches and levels of government, business, and various segments of society will ensure the most efficient use of transport opportunities in the interests of socio-economic development of the Republic of Uzbekistan, solving systemic socio-economic problems.

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