

RNI – MPENG/2011/46472

ISSN-2249-9512



Journal of Management Value & Ethics

(A quarterly Publication of GMA)

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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

Annual subscription Rs.2000.00 (India) \$ 170 & euro 150 (foreign Airmail)

Printed at:

Sai offset Throat palace, Lashkar Gwalior (M.P.)

Graphics & Designed:

Shivani Computer Graphics, Gwalior (M.P.)

Mob. 9826480017

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

LIBERALIZATION: IT'S IMPACT ON INDIAN BANKING SECTOR

Dr.Divya Sharma¹, Ratan Siromani²

ABSTRACT

Indian financial sector has undergone an important role in inspiring and stabilizing the growth of an economy. Economics essentially involves the efficient transfer of funds in exchange for goods, services or promises of future return, it brought momentous changes in the financial sector in general and banking in particular. While there have been striking changes in the financial structure, India remains a bank conquered financial system. One of the major purposes of financial liberalization was to make the financial institutions more efficient and competent. A number of developing countries have undertaken financial sector reforms in order to pursue the goals of economic growth and improved living standards. This paper examines aspects of the development of financial sector particularly after 1990 when financial liberalization began. The usual confidence is that liberalization process allows for the development of a competitive financial system, which aids the efficient allocation of resources by mobilizing savings through the growth of financial intermediation and asset diversification.

Keywords: Liberalization, Banking, Development, India

INTRODUCTION

India introduced important financial sector reforms in the mid-1990s through entering the new private and foreign banks, liberalizing interest rate controls, enhancing the role of market forces, and reducing state prevention of bank credit through reduction of reserve and statutory liquidity requirements, which together stood at about 50 percent of assets in 1992.

Numerous authors have argued that development in financial intermediation has a constructive relationship with economic growth. Empirical evidence shows that a more developed financial system is associated with higher rates of economic growth, although the nature of any causal relationship is disputed (Lawrence, 2003). The Indian financial system comprises a large network of financial institutions, commercial banks, stock exchanges and an extensive range of financial instruments. It has undergone a significant operational transformation since the initiation of financial liberalization in 1990s. Before financial liberalization, since mid early 1990', the Indian financial system was considered as an instrument of public finance (Agarwal, 2003). The growth of Indian financial sector in the post independent period can be divided into three distinct periods. During the first period (1947-68), the Reserve Bank of India (RBI) consolidated its role as the agency in charge of supervision and banking control (Sen & Vaidya, 1997). Till 1960's the neo-Keynesian perspective dominated, claimed interest rates should be kept low in order to remote capital accumulation (Sen & Vaidya, 1997). During this period Indian financial sector was characterized by nationalization of banks, directed credit and administered interest rates (Lawrence & Longjam, 2003) the

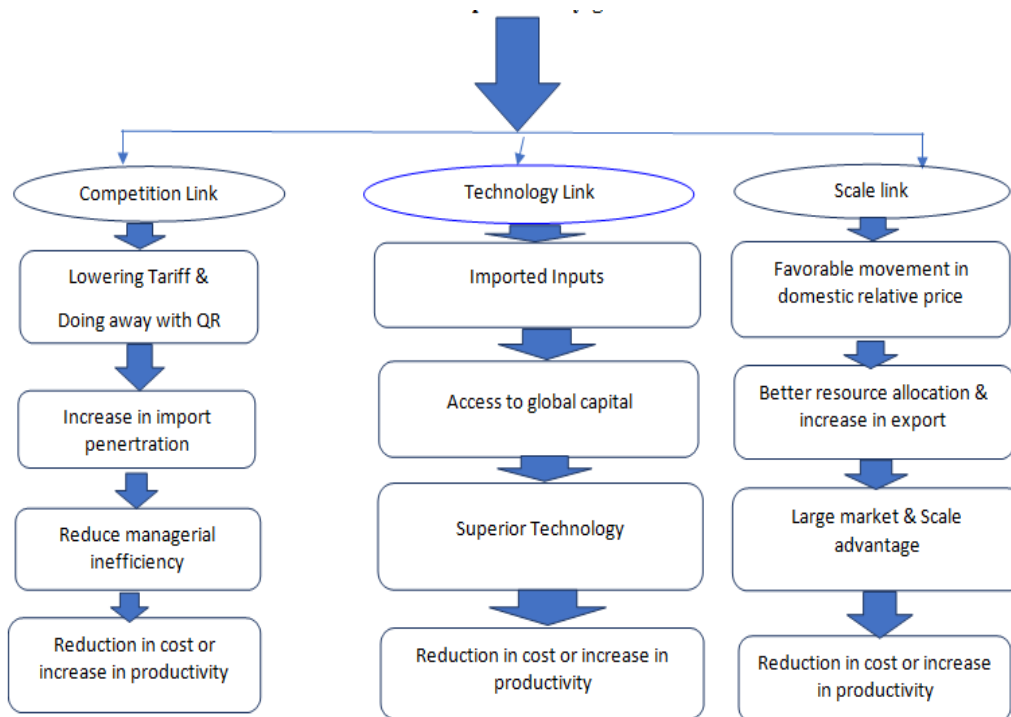
¹ Principal, Veena Vadini College of Management, Gwalior (M.P.)

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second period (1969 the period of financial repression. The financial suppression started with the nationalization of 14 commercial banks in 1969. As a result interest rate controls, directed credit programs, etc. increased in greatness during this period (Sen & Vaidya, 1997). The third period, mid 1980's onwards, is Oct 2017 Page: 431 6470 | www.ijtsrd.com | Volume - 1 | Issue – 6 Scientific (IJTSRD) International Open Access Journal Liberalization: It's Impact on Indian Banking Sector Ajaz Ahmad Dass Research Scholar, RTMNU Nagpur, Maharashtra, India Numerous authors have argued that development in financial intermediation has a constructive characterized by consolidation, diversification and liberalization. However a more comprehensive.

The recommendations of the Narasimham Committee provided the plan of the reforms, especially with regard to banks and other financial institutions. In 1991, India launched comprehensive financial sector liberalization program. This programme includes decontrolled interest rates, reduced reserve ratios and slowly reduced government control of banking operations while establishing a market regulatory framework. The important objectives of the financial liberalization were to advance the overall performance of the financial sector in the country, to make the financial institutions more efficient and knowledgeable. It remains the main source of resource for many households, small and medium and liberalization program was introduced by the government of India during early 1990's. also caters the large industries enterprises. And also provides many other financial services. Underlining the importance of the banking sector, several major banking sector precise reform as a part of financial reforms were introduced to improve the performance of the Indian banking and to make them much more competent and

Trade liberalisation and productivity growth: Theoretical Link



OBJECTIVE OF STUDY

To know about impact on Indian financial system since liberalization.

METHODOLOGY

This paper is mainly based on secondary sources. The researcher made the study based on secondary data collected from various sources like reports and publications of international journal of research in finance sector, RBI reports, books, magazines and internet.

IMPACT OF LIBRALIZATION ON INDIAN FINANCE SECTOR

The Indian finance sector has remained structured since nationalization in 1969. The entry of Private sector was restricted after nationalization to prevent urban concentration, unfair competition and lending to rich and well-known firms. This resulted in eliminate of competition among public sector banks, public-private sector banks. There was a reduction in effectiveness and quality of customer service. Since 1969 the interest rates have been set by the Reserve Bank of India. Its obsession of interest rates was always below the market rate. On account of these reasons expenditure was growing, and public sector banks was very quiet nothing new was happened. In 1990, the first opening towards globalization and liberalization was assumed by Dr. Manmohan Singh, who was the Finance Minister of India under the Congress government headed by P.V. Narasimha Rao. This plays significant role in the economic growth of India and it aimed towards welcoming globalization. Since, liberalization the economic complaint gradually started improving and today India is one of the fastest growing economies in the world with an average yearly growth rate of around 6-7 per cent. Initial of the economic liberalization, privatization, globalization and deregulation have effectively led to creation of a global village where in banking companies, for their survival, need to focus on speed, cost and quality of service to face strong competition and massive challenges. Presently Banks operate under thin banquets, declining margins and rising cost. The cut-throat competition among players has arisen through liberalization and the Winners are those who have out-performed others, while loser is those who failed in maintaining the momentum required to sustain their location. Presently banks have to perform better than other to keep ahead of the race there is need to better their own performance levels, lest they are likely to be left far behind. Public sector banks have also ready themselves to face competition with private, domestic and foreign banks in the areas of customer services, cost of funds, internal controls, technological innovations, motivation of staff and risk and assets management. The RBI has developed its supervisory equipment and at the same time ensured that enough self-determination is given to banks to operate within the prescribed rules and regulations. The Introduction of prudential norms, wide of the capital base and strengthening of the organizational infrastructure have all gone hand in hand. Since liberalization it was noted that there had been improvement in several of measurable indices but there were many areas in which weaknesses still persisted. These included technological-up gradation, customer services, improvement in housekeeping in terms of settlement of entries and balancing of books. It was further noted that the Method to handle the problem of nonperforming assets differed from the recommendations. In the wake of liberalization, one cannot hope to continue in isolation. Indian banking system is quite matured today. Indian banking system is classified into the following categories:

- (1) Public Sector Banks
- (2) Private Sector Banks
- (3) Regional Rural Banks
- (4) Co-operative Sector Banks

(5) Development Banks

(6) Foreign Banks

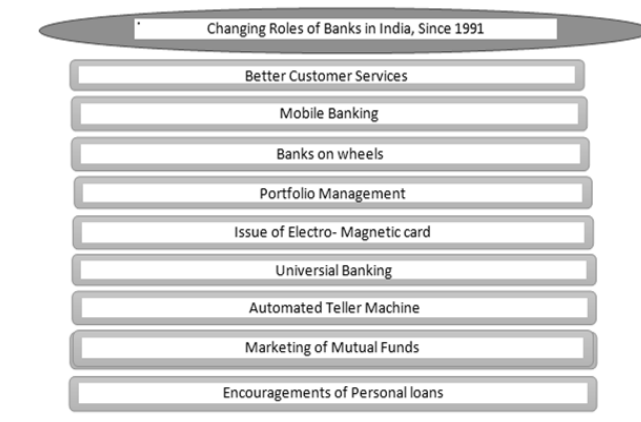
CURRENT STATUS OF INDIAN BANKING

The new policy trembled the banking sector in India completely. Bankers, till this time, were used to the 4-6-4 method (borrow at 4%, lend at 6%, go home at 4) of functioning. The new wave ushered in a current outlook and tech-savvy methods of working for traditional banks. All this led to the retail boom in India.

In recent years critics have charged that the nongovernment owned banks are too violent in their loan recovery efforts in linking with housing, vehicle and personal loans. There are press reports that the bank loan recovery efforts have determined defaulting borrower to suicide. By 2016 the Indian banking industry employed 1,175,149 employees and had a total of 109,811 branches in India and 171 branches overseas and manages and aggregate deposit of Rs. 67504.54 billion and bank credit of rupees 52604.59 billion. The net profit of the banks operating in India was Rs. 1027.51 billion against a turn-over of Rs. 9148.59 billion for the financial year 2012-13. "PRADHAN MANTRI JAN DHAN YOJNA" (Prime Ministers People Money Scheme) is a scheme for inclusive financial inclusion launched by the Prime Minister of India, Narendra Modi. Run by department of financial services, ministry of finance, on the inauguration day, 1.5Cr (15 million) bank accounts were opened under this scheme. By January 2015, 11.5Cr accounts were opened, with around Rs. 8698Cr (\$ 1.4 billion) were deposited under the arrangement, which also have an option for opening new bank accounts with zero balance.

POSITIVE IMPACTS OF LIBERALIZATION

Liberalization has played a very great role in development of Indian economy and also measured an investment in the future financial wellbeing of a nation. It helps the financial industry as a whole by providing. Liberalization plays a very important role in development of financial flexibilities of firms and reduce business costs. It develops efficient, strong and more competitive banking institutions, especially meaning full struggle in banking sectors by allowing the private and foreign banks which lead a technological up-gradation of banking sector through wide use of computers and recent communication systems. With the entry of new banks removed major regulatory impediments to profitable working of banks. Globalization leads limit free in covering of foreign investment and foreign exchange. With the entry of private and foreign banks results the upgradation of banking sector through modern communication and computer system like:



NEGATIVE IMPACTS OF LIBERALIZATION

It would be wrong to expect that liberalization will solve all problems just by the beginning of these comfortable policies, it is not so. The major problems worried with liberalization can be summarized as under:

- 1) In so far as fiscal deficits are financed by money formation and growing, financial liberalization helps to accelerate inflation which joined with high exchange rate, promotes capital flight.
- 2) Rivalry is not routinely enhanced. It leads power to big institution that has market controlling powers.
- 3) A number of institutions can incorporate their own finance corporations to make finance available on easy terms for purchase of their products; this wonder can also be used against the interest of the society.
- 4) Change in price allocation by banks can produce effectiveness gains.
- 5) Sometimes there can be problems of moral threat.
- 6) Weight on profitability can lead to speculation and create problems of systemic failures.

Conclusion

Indian experience with the liberalization to increase both the operational efficiency of banks at the institution level and to improve the efficacy of resource allocation economy-wide. The initiation of liberalization in 1990 the financial sector comprises of large network of commercial banks, stock exchanges, financial institution and wide range of financial instruments which has undergone a structural transformation. The entry of private banks has increased rivalry and has meaningfully improved the efficiency and profitability of public banks to the point where they are now comparable to private banks. The Indian banking sector has observed a remarkable shift in its operational environment during the last decade and also results several drawbacks due to liberalization. The reform process undertaken by the government has been applied in a phased manner to allow the banks to have a level playing field and to tune themselves with the changes. Liberalization of the sector has resulted in the arrival of new generation banks in the private sector which have redefined the service spectrum of the banks.

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PRODUCT AND SERVICE INNOVATIONS IN THE RURAL MARKET OF INDIA

Mr. Sunil V. Chaudhary¹

ABSTRACT

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

KEY WORDS: *Product and Service Innovations, Rural Marketing.*

Introduction

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

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

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

The Indian rural market with its vast size and demand base offers great opportunities to companies. In India, there are 6,42,000 villages. While agriculture used to be the major source of income in rural areas, over the past 10-12 years, the dominance of agriculture has been rapidly declining. The contribution of agriculture to India’s GDP was less than 20% in 2008-09. There is a sizeable population of self-employed persons in the hinterland and quite a few of them are into services such as repair and maintenance of motors and pump sets, televisions and other electrical appliances, farm equipment, tractors and two wheelers. Some are also engaged in other services like hospitality, transport, entertainment etc.

India’s rural market is gaining increasing importance day by day, mainly because of the large population and its gradually increasing purchasing power. 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

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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.

The Indian Rural Market

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

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

Research Objectives:

- i. The objective of the paper is to study the product and service innovations in the rural market of India.
- ii. The objective of the paper is to understand rural and urban consumers and their consumption behavior.

LITERATURE REVIEW:

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

2. One needs to be psychologist in addition to marketing veteran to be successful in rural India. Due to its variety, each state is a different country. It is important for marketers to understand how a customer behaves, interprets & analyses a product, communication, pricing & purchase action. Looking at the challenges and the opportunities, which rural markets offer to the marketers, it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. Companies have well realized that if growth is the only option, rural market is the only way to go ahead. **(Vinod S. Gaikwad, 2010)**

3. According to Dalip Sehgal, executive director of the Shakti initiative, the objective of project Shakti are “to create income-generating capabilities for underprivileged rural women by providing a small-scale enterprise opportunity, and to improve rural living standards with greater awareness of health and hygiene”. Hindustan Unilever’s Project Shakti is an eye-opener for the organizations of the 21st century. The Project Shakti of HUL is well equipped with result orientation, customer focus, leadership and constancy of purpose, management by processes and facts, people development and involvement, continuous learning, innovation and improvement, partnership development and public responsibility. **(Indrani Majumder, 2009)**

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

RESEARCH METHODOLOGY:

1. Data type: Secondary data.
2. Scope of Study: Indian rural market
3. Research Type: Descriptive

Product and Service Innovations in the Rural Market of India

1. The Indian rural market has certain special characteristics which differentiate it from the urban market. The most important ones are, a significant percentage of the population is illiterate, and the income is low and often irregular or seasonal. Other issues pertain to limited distribution network, inadequate transportation facilities and infrastructure, and also behavioral characteristics of the rural consumer. The rural consumer expects value for money and sturdy products.
2. The rural population is quite heterogeneous. Diversity along various dimensions such as religion and caste, customs and traditions, social hierarchy, language, literacy, education, occupation, income, etc., stand out more sharply in the villages than in urban areas. Also, the population is thinly spread out across innumerable small villages.
3. **Hindustan Petroleum** : One of the major constraints faced by cooking gas companies in penetrating rural markets is the high cost of logistics. In spite of the huge potential, the business model that worked for urban markets could not be replicated in rural areas, as the customers were

spread out thinly across a vast area and quite a few of the villages were not accessible by road. HPCL (Hindustan Petroleum Corporation Ltd.) overcame this problem by setting up the rasoī ghar (community kitchen). Rasoī Ghar is established in a pucca house, with six to eight gas stove stations, and a meter to record the usage of gas, allowing several villagers at a time to cook their daily meals comfortably, safely and quickly, and pay on the basis of their actual usage.

4. **e-chaupal by ITC Ltd.** : 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 circle of poverty of the Indian farmer, ITC Ltd launched e-chaupal in June 2000. The purpose of e-chaupal was the procurement of agricultural and aquacultural products such as soya beans, rice, pulses, wheat, coffee and prawns directly from the farmers. The term “Choupal”, in Hindi means a gathering place. The e-choupals of ITC Ltd are built on the concept of a gathering place for farmers, having a local presence and global reach. Each e-choupal has computers connected to the Internet through VSAT or telephone lines. The local farmers visit the e-choupals for accessing various agriculture related information, and also to purchase agricultural inputs and sell their agricultural produce. Each e-choupal is managed by a person called ‘Sanchalak’. The ‘sanchalaks’ assist the farmers in carrying out the buying and selling transactions, in exchange for a commission or small fees. In addition, farmers can also place orders with ITC and its business partners for the purchase of agricultural inputs like seeds and fertilizers as well as for consumer products. The e-choupal system gives the farmers a variety of benefits such as choices for sale of produce, higher profit margin due to eradication of multiple stages of middlemen, and higher productivity because of agricultural extension services. The e-choupal initiative has empowered the local farmers by providing them with readily accessible information and also a ready market for their produce. e-choupal has already become the largest initiative among all Internet based interventions in rural India. Today, it reaches out to over four million farmers growing a wide range of products in over 40,000 villages through a network of 6,500 kiosks across 10 states of India. Currently, the '**e-Choupal**' website provides information to farmers across the 10 States of Madhya Pradesh, Haryana, Uttarakhand, Uttar Pradesh, Rajasthan, Karnataka, Kerala, Maharashtra, Andhra Pradesh and Tamil Nadu.
5. **Customized products for rural markets:** Hindustan Unilever's introduction of detergent as an alternative to soap, brought to the market a product with much lower oil to water ratio, thereby reducing the pollution created by washing clothes in rivers.
6. **Small Sized Packs:** Almost all FMCG goods manufacturers have come out with packets. The low per capita income, non-availability of regular pay and cash forces the rural consumer to buy products in small quantities.
7. **Kandhamal Apex Spices Association for Marketing: (KASAM):** In the year 1998, 61 Spices Development Societies of Kandhamal district, Orissa formed a cooperative called Kasam in the small town of Bandhgarh. Members of the Kuttia Kondh tribe have been the traditional cultivators of turmeric in Kandhamal district. The tribe has been practicing organic farming for ages and never used synthetic chemical inputs. The turmeric grown in the region is unique for its high curcumin value and aroma. This has a huge demand in Europe, Australia and America. A three year special project under Jawahar Rozgar Yozana, the government supported the cultivators by providing access to modern organic farming methods. The emphasis was on growing high curcumin turmeric and low fibre ginger for the export market. After the successful completion of this project, the cultivators formed a registered society called KASAM to continue and strengthen their foothold in the

export market. The spices, namely turmeric and ginger grown by the cultivators, were being marketed under the umbrella brand of KASAM. The world has started to take note of the Kandhamal spices through the Internet.

8. **Agricultural Goods:** Agricultural products are goods that are used for farm activities. These include agricultural inputs such as seeds, fertilizers, pesticides, insecticides and implements (tractors, tillers and threshers). Some companies choose to develop products, especially to meet rural market needs with total value addition. Mahindra & Mahindra launched "MAXX MAXI" to fill the niche between the large three-wheeler and the big pick-up vehicles. The MAXX MAXI with a payload of 900 kg has been designed to deliver better speed and fuel efficiency along with maneuverability on any terrain with better power, speed and fuel efficiency.
9. **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 the product and expressed their positive word-of-mouth about the tractor to their friends, relatives and neighbors. This initiative has helped the company to a great extent.

Limitations of the Study:

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

Utility of the Study:

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

Conclusion:

The key challenge that companies face in the rural market is to identify and offer appropriate products without hurting the company's profitability or margins. Companies should recognize that rural consumers are quite discerning about their choices and customize products and services accordingly. Product awareness campaigns and advertising communications too need to be designed and executed keeping in tune with the context. The products should not only be made available at the right time and at the right place but should also be affordable and acceptable to the rural people.

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Education is a liberating force, and in our age it is also a democratizing force, cutting across the barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances.

— Indira Gandhi —

AZ QUOTES

HUMAN CAPITAL AND ECONOMIC GROWTH IN UZBEKISTAN: CORRELATION AND REGRESSION APPROACH

Shomiev Golib Uktamovich¹

ABSTRACT

Human capital and economic growth have a strong correlation. Human capital affects economic growth and can help to develop an economy by expanding the knowledge, health and welfare of its people. Human capital is the power to change a life. The global challenge for human capital development, especially educational capital, health capital and living standards are ensuring the socio-economic progress. This paper focuses to the relationship between human capital development and economic growth in Uzbekistan. The increasing the human capital index by 1% will lead to increase the GDP by 1.03%, the increasing the government spending on health by 1 % will lead to an increase in - health capital by 1.3 %, educational capital by 1.2%.

Keywords. Human, Capital, Economy, Growth, Correlation, Regression.

Introduction.

Human capital is the main wealth and the most valuable resource of any society, and the main criteria for socio-economic progress. The problem of researching the humanity, the formation of human capital, aggregate creative qualities and abilities, investment in human capital is one of the important problems of world science. Therefore, the XXI century remains relevant to research of human capital and its development. Human capital has been the important in socio-economic development for the past half century. Its outstripping, in fact explosive growth is gradually displacing it in the structure of GNP and now occupies about 80% in the structure of the national wealth of developed countries. In 2020, it accounted for 48%, natural resources - 20%, and fixed capital - 32%. According to the World Bank, at the end of the 20th century, the value of the total world human capital was 550 trillion USD, which is more than eight times more than world GDP [1].

Prospects for the further socio-economic development of Uzbekistan are associated with the qualitative development of human creative abilities, which are becoming the main factor in the development of the economy. The human capital of a nation is one of the main components of the national wealth of a society. Therefore, there is an urgent need to study the problems of human capital development, expand the possibilities for its further development, as well as develop scientifically grounded recommendations for the formation and more complete implementation of human capital, determined the relevance of this study.

Literature review.

In 1961 the phrase was used by Theodore Schultz and Garry Becker developed this idea since 1965, substantiating the effectiveness of investments in human capital and formulating an economic approach to human behavior. Schulz made a huge contribution to the formation of the theory of human capital at the initial stage of its development, to its acceptance by the scientific community and its popularization. He was

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one of the first to introduce the concept of human capital as a productive factor. And he did a lot to understand the role of human capital as the main engine and foundation of industrial and post-industrial economies. Schultz considered the main results of investment in a person to be the accumulation of people's ability to work, their effective creative activity in society, and the maintenance of health. He believed that human capital has the necessary characteristics of a productive nature. Human capital is able to accumulate and reproduce. The theory of human capital is based on the achievements of institutional theory, neoclassical theory, Neo Keynesianism and other private economic theories. Its appearance was the response of the economic and related sciences to the demand for the real economy and life. There was a problem of in-depth understanding of the role of a person and the accumulated results of his intellectual activity on the pace and quality of development of society and the economy [2].

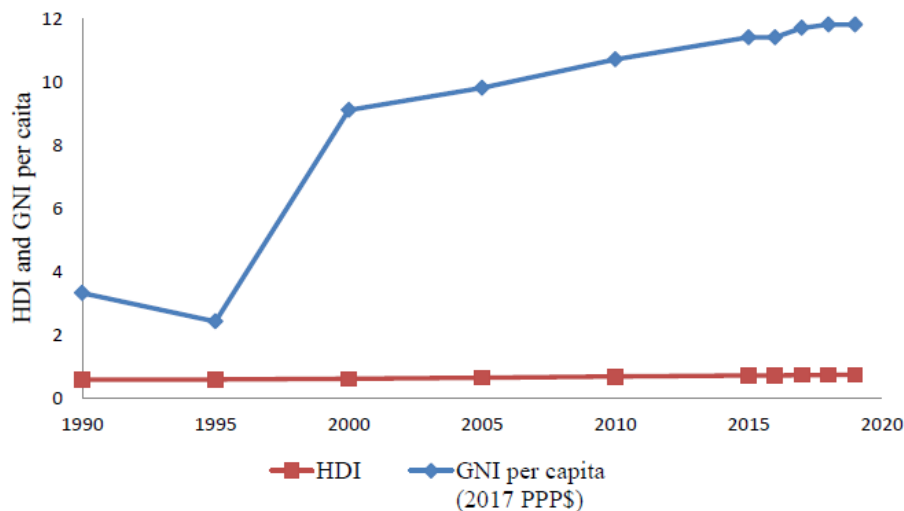
The impetus for the creation of the theory of human capital was the statistical data on the growth of the economies of the developed countries, which exceeded the calculations based on taking into account the classical factors of growth. An analysis of the real processes of development and growth in modern conditions led to the establishment of human capital as the main productive and social factor in the development of a modern economy and society. The concept of human capital is a natural development and generalization of the concepts of the human factor and human resource; however, human capital is a broader economic category. The economic category "human capital" was formed gradually, and at the first stage it was limited by the knowledge and ability of a person to work. Moreover, for a long time, human capital was considered only a social factor of development, that is, a cost factor from the point of view of economic theory. It was believed that investments in upbringing and education are unproductive and costly. In the second half of the 20th century, the attitude towards human capital and education gradually changed dramatically. Human capital is a measure of the person's ability to generate income. Human capital includes innate abilities and talent, as well as education and acquired qualifications.

The level and pace of economic development in all countries of the world are increasingly dependent on the degree of development of human capital. Therefore, increasing the level and quality of human capital has become a priority area of economic policy in many countries. The modern concept of human capital has its own historical prerequisites, individual, special and universal patterns of occurrence. Taking into account the above, in our opinion, human capital is health, knowledge, work and quality of life.

Analysis and results

The most important strategic goal of Uzbekistan is to become one of the developed countries of the world and ensure a decent life for its citizens. A clear, clear and deeply thought-out program of action is being implemented in the country, and the organizational, legal and practical, consistent and systemic measures taken fully contribute to the implementation of democratic, political and economic reforms, social transformations aimed at creating ample opportunities for the comprehensive implementation of professional, intellectual and the spiritual potential of a citizen and society as a whole.

Human development index (HDI) and GNI per capita. Uzbekistan's HDI value for 2019 is 0.720—which put the country in the high human development category—positioning it at 106 out of 189 countries and territories. Between 2000 and 2019, Uzbekistan's HDI value increased from 0.599 to 0.720, an increase of 20.2 percent. Table A reviews Uzbekistan's progress in each of the HDI indicators. Between 1990 and 2019, Uzbekistan's life expectancy at birth increased by 5.2 years, mean years of schooling increased by 2.7 years and expected years of schooling increased by 0.8 years. Uzbekistan's GNI per capita increased by about 115.6 percent between 1990 and 2019[3].

Figure1. HDI and GNI per capita (2017 PPP\$)

Source: URL: <http://hdr.undp.org/en/countries/profiles/UZB>

Education index and GDP. Education is a basic element of the country's socio-economic development. The development of society, ensuring its safety, the quality of life, achieving a world economic level, mastering new technological capabilities and social progress primarily depends on education and the quality of teaching process.

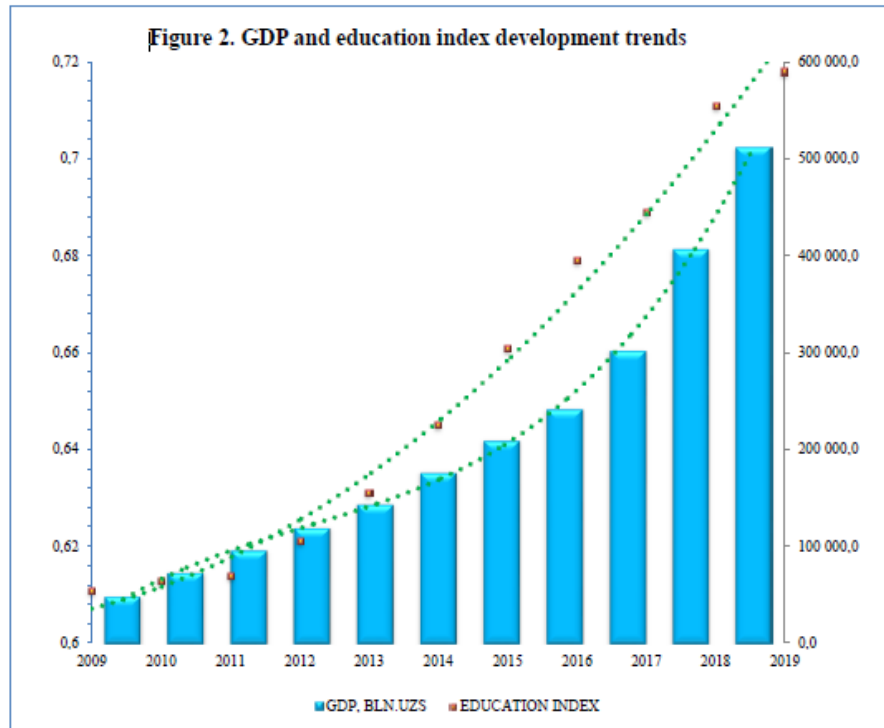
Education is one of the fundamental factors of development. Countries can achieve economic development without investment in education capital. Education enriches people's understanding of themselves and world. It improves the quality of their lives and leads to broad social benefits to individuals and society. Education raises people's productivity and creativity and promotes entrepreneurship and technological advances. In addition it plays a very crucial role in securing economic and social progress and improving income distribution.

The most important strategic goal of Uzbekistan is become one of the developed countries of the world and ensure a decent life for its citizens. The organizational, legal and practical aspects, consistent and systemic measures taken fully contribute to the implementation of democratic, political and economic reforms, social transformations aimed at creating broad opportunities for the comprehensive implementation of the professional, intellectual and spiritual potential of a citizen and society as a whole.

In 2019, to the social sphere of Uzbekistan spent 79.7% of state budget expenditures, 28.4% are for education and 12.7% for healthcare. The annual increase in state budget expenditures on education is from 6-8%. More than 70% of government expenditure allocated for secondary education. Annual government expenditure on education ranges from 6.4 - 7.3% of GDP, since this figure reaches 7.7% in countries with a high education index[4].

During 1990-2019 Uzbekistan's GDP in current prices increased by \$ 40.3 billion (3.3 times) to \$ 57.9 billion; the change occurred by \$ 10.9 billion due to population growth by 12.6 million, as well as by \$ 29.4 billion due to an increase in GDP per capita of \$ 890.0. The average annual GDP growth in Uzbekistan was at the level of \$ 1.4 billion, or 4.2%. The average annual GDP growth in Uzbekistan in constant prices was

4.3%. The share in the world decreased by 0.011%. The share in Asia decreased by 0.14%. The minimum of GDP was in 2001 (\$ 11.1 billion). The maximum GDP was in 2015 (\$ 81.8 billion). During 1990-2019. GDP per capita in Uzbekistan increased by \$ 890.0 (2.0 times) to \$ 1,756.0. The average annual growth of GDP per capita in current prices was at the level of \$ 30.7 or 2.5% [5]. (Fig2)



Health capital and Demographic policy. Health capital is an integral part of human capital, investment in which is expressed in maintaining efficiency by reducing morbidity and increasing the productive period of life. The level of health largely depends on the quality of health services that accompanies a person from birth to old age. Decreasing the health, morbidity, disabilities are expressed in disability. Of course, the fewer diseases, the higher level of population health and return of health care investment. However, today society is faced with problems that affect the formation of health capital.

Non-communicable diseases such as cancer, cardiovascular disease, diabetes and chronic respiratory diseases. Diseases such as cardiovascular disease, stroke, malignant neoplasms, chronic respiratory diseases and diabetes mellitus are the main causes of disability and death in Uzbekistan. They are mainly associated with risk factors for high blood pressure, tobacco and alcohol use, high blood cholesterol, overweight, inadequate intake of fruits and vegetables, and low physical activity.

In 2016 alone, non-communicable diseases claimed the lives of 40 million people, accounting for 70 percent of all deaths worldwide. It is known that in our country, non-communicable diseases cause 78 percent of all deaths every year. In 2017, diseases of the circulatory system (69 percent), including ischemic heart disease, arterial hypertension and their complications (myocardial infarction, cerebral stroke), occupied the first place in the overall structure of sex- and age-standardized indicators of causes of death (69 percent). They are followed by malignant neoplasms (8 percent), diabetes mellitus (3 percent) and chronic

respiratory diseases (3 percent). Experts note that 31 percent of premature deaths from non-communicable diseases can be prevented or delayed by preventing risk factors and improving the organization and provision of medical care for patients with non-communicable diseases. As of October 31, 2020, the number of people infected with coronavirus is 66,628, deaths - 563 (0.8%), recovered - 63,864 (95.9%), now 2201 (3.3%) people are sick. In Uzbekistan, measures are being consistently taken to prevent, treat and control this type of disease, their risk factors, and to reduce premature mortality and morbidity [6].

Uzbekistan becoming with a growing population. In terms of its demographic potential, it is one of the largest countries in the CIS. Currently, the demographic situation of the republic is characterized by a moderately expanded population growth, which is due to the impact of the entire system of transformation of economic and social relations, as well as changes in the reproductive behavior of the population. As of January 1, 2020, the population of Uzbekistan amounted to 33,905,242 thousand people, including 17,144.1 thousand people (50.5%) in cities, 16761.1 thousand people (49.5%) in rural areas. This happened as a result of the improvement of the registration system and the reform of the civil construction system, construction of cheap houses. The total population growth in 2020 amounted to 13297.5 thousand people, in relation to 1991 increased by 64%. The average annual growth rate was 1.55%. Analysis by regions of the republic showed that in 2019 the largest population was observed in Samarkand - 11.4% (share in the total population of the republic), Fergana - 11.1%, Kashkadarya - 9.7% and Andijan - 9.2 % areas[6].

The dynamics of the population in Uzbekistan over the past period was characterized by changes in the birth rate, mortality and population migration. By In 2019, 815,939 births were registered, respectively, the birth rate per 1000 population was 24.5.0 ppm and, compared to the same period in 2018, increased by 1.2 ppm.

In 2019, 154.9 thousand deaths were registered, respectively, the mortality rate was 4.7 ppm and compared to 1991, decreased by 1.4 ppm.[7]

Despite this, in general, we can talk about an increase in the birth rate as a stable trend. This is due to factors such as urbanization, an increase in the educational and cultural level of the population, the involvement of women in production activities, a significant reduction in infant and child mortality, and the transformation of family and marriage relations.

Uzbekistan with an average life expectancy of 74.6 years, including 72.8 for men, 77.4 for women and ranks 108th in the world in 2019, increased by 3.3 years compared to 2000. If in 1990 the average age of residents was 19.6 years, then in 2019 it was 27.8 years, including 27.1 for men and 28.4 for women. There is a change in the age structure of the population, favorable from the point of view of the ratio of demographic and economic growth, the share of the working age population is increasing, as a consequence of the high birth rate in previous years. At the beginning of 2020, the working-age population increased from 22.1 million to 22.4 million compared to the beginning of 2019. In 2019, a large group of the population of Uzbekistan - 66.1% - consisted of persons aged 15 to 64; at the age from 0 to 14 - 29.1%; elderly people 65 and older - 4.8%. The share of the working-age population in the total number decreased from 66.5% to 66.1%. In 2020, the number of children and adolescents (0-14 years old) increased from 9.6 million to 9.9 million in comparison with the previous year. At the same time, the share of this category of the population in the total number increased from 28.9% to 29.1%. The population over the working age increased from 1.5 million to 1.6 million, or 6.6%. Accordingly, their share in the total population increased from 4.6 to 4.8%[8].

Life expectancy and government expenditure to healthcare. For a long time, healthcare spending in Uzbekistan amounted to 5.1-6.4% of GDP, in the world they are at the level of 8%, and in developed countries - 10%. Achieving the amount of funding that ensures the sustainability of the socio-demographic situation and health capital in the country is an important task for Uzbekistan. In 2019, healthcare spending in Uzbekistan accounted for 6.4% of GDP[8]. The country is consistently taking measures to prevent, treat and control diseases and their risk factors, reduce premature mortality and morbidity of the population. Investments are aimed at the purchase of medical equipment, express tests, medicines and personal protective equipment, as well as additional material incentives for doctors and the construction of quarantine zones and hospitals, the maintenance of citizens in these institutions.

It is clear that good public health is the result of a well-thought-out and long-term health development program. Thus, good health is a guarantee of a longer life expectancy, higher labor productivity, therefore, health care costs are a profitable investment with a long-term and constantly increasing return. Government spending on health care is directly proportional to health capital formation. A paired regression and correlation model of the impact of government spending on health capital formation shows that an increase in government spending on health by 1 % will lead to an increase in health capital by 1.3 %.

Conclusions:

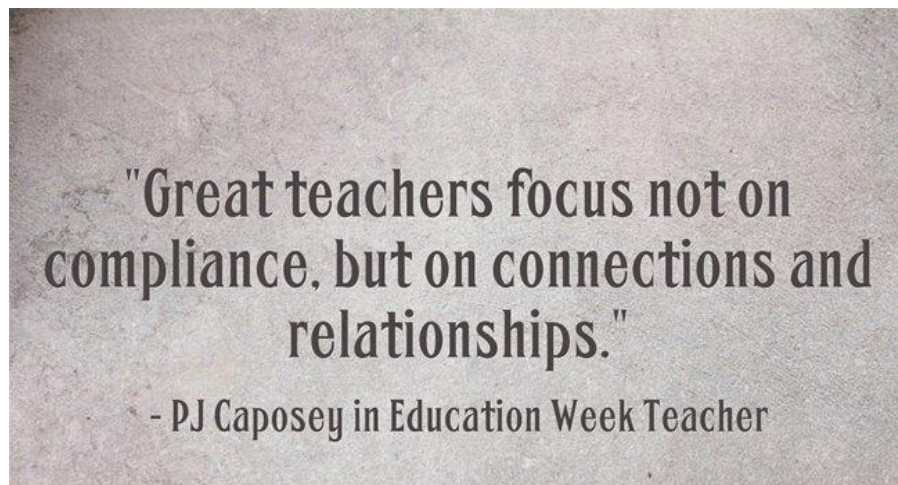
Achieving the set target parameters requires an increase in both quantitative and qualitative indicators of the entire education system. Despite the various levers of government at the disposal of the state, the effectiveness of regulation of the education system remains low, as evidenced by the unresolved problem of the quality of education. This requires a systemic reform and radical improvement of the education system in the country, raising the process of training highly qualified personnel with modern knowledge and high spiritual and moral qualities to a qualitatively new level. Investment to education is directly proportional to education capital. Increasing the education investment by 1 percent will lead to an increase in education capital by 1.2 percent; increasing the education index of 1 percent would result to GDP increase by 1.6 percent.

Health capital formation shows that an increase in government spending on health by 1 % will lead to an increase in health capital by 1.3 %. Current mechanism in field of health care are not effective and need for improvement; should be implemented the medical insurance system, also should be improved institutional regulation; health care financing mechanism is not stimulating the health care system development; in field of communicable disease, health care need modern diagnostic systems, especially in condition of pandemic COVID-19; diseases such as cardiovascular, stroke, malignant neoplasms, chronic respiratory diseases and diabetes mellitus are the main causes of disability and death in Uzbekistan, that's why teaching the population to healthy lifestyle, healthy diet and physical activity are very necessary; teaching the population to medical, sanitary and hygienic culture, main attention should be paid to the prevention, not to treatment of diseases; medical service prices are expensive, we have to decrease the prices through free competition; preparation of qualified medical staff, formation of material and technical base; creation of favorable living conditions and assistance in stabilizing health are becoming priority goals in modern society, in particular, providing the population with safe goods and services, improving utilities, protecting the environment, reducing the exhausting gases, industrial wastes; increasing the investment volume to health care system, because health capital is a national treasure, because it has a noticeable effect on the productivity of social labor, and hence on the dynamics of the economic development of society; human health cannot be acquired or restored in a short time. Moreover, the capital of human health accumulated over a lifetime can

be instantly destroyed due to emergencies; the quality of health capital largely determines the lifestyle of the of human: the level of social, economic and labor activity, the degree of migratory mobility, familiarization with modern achievements of culture, art, science, technology and technology, the nature of leisure and recreation.

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ASSESSMENT AND DEVELOPMENT TRENDS OF THE FOOD INDUSTRY IN UZBEKISTAN

Dekhkanova Nilufar Sagdullaevna¹

ABSTRACT

The article analyzes the development of the food industry in Uzbekistan. The dynamics of food production by food industry enterprises, as well as the place and importance of investments in the development of the food industry are presented. The role of the food industry in ensuring the country's food security is revealed. In the final part of the article, proposals and recommendations are given for improving the food industry management system, possible areas of government activity to stimulate the growth of the food industry, etc.

Key Words: Food Industry, Food, Investment, Food Policy, Processing Plants.

INTRODUCTION:

The food industry is a complex industry that processes primarily agricultural raw materials and produces food and flavor products. The food industry, combining a complex of homogeneous food and processing enterprises, has a specific material and technical base and an appropriate staff of workers. The economic features and specificity of the food industry are determined, on the one hand, by the economic purpose of the products produced, their consumer value, on the other, by the origin of the raw materials consumed and the organizational and technological features of the production and sale of products [1].

Food production is of great socio-economic importance. It not only meets the needs of the population for food products, but also reflects the standard of living in the country. It should be borne in mind that today the following situation is developing in the world, on the one hand, there is a large number of hungry people in third world countries, on the other, there is a surplus of food production in developed countries, where no more than 15% of the world population lives. Developing countries that cannot provide the population with products of their own production are forced to import it, including on the basis of exchange for material resources, precious metals and significant political concessions. Accordingly, food production is a kind of indicator of the economic situation in the country [2].

The food industry is the main branch of the economy that socially protects and supports the population, provides additional jobs, as well as forms the budgets of small and large regions. The food industry includes many enterprises producing meat and dairy, fat and oil, fish, flour milling, bakery and confectionery products, pasta, canned fruits and vegetables, tea, wine products and champagne, alcohol, vodka, tobacco products, beer and soft drinks, soap and others goods [3].

The food industry of the Republic of Uzbekistan includes sectors from the production of agricultural products to their deep processing and the production of food products.

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The task of continuously providing the population of the country with high-quality food products determines the need for the development of the food industry. The food industry of Uzbekistan has rich experience and potential, allowing it to take a leading place in the national economy. This industry is focused mainly on the processing of local raw materials. Food industry enterprises unite dozens of other industries that are interconnected.

The condition for improving the quality of manufactured products and expanding the range is a factor in the modernization of production associated with the constant and continuous investment and innovation process of enterprises in the food and processing industries. The quality of consumer goods is a basic requirement of public health.

For the production of competitive products that meet international standards, it is necessary to introduce modern technological equipment, advanced technologies and develop new technologies. And this, in turn, requires serious financial and administrative costs.

The development of human life, his health and the ability to work productively depend to a large extent on the nutritional value of consumed food products, ecological purity, nutritional value and the composition of various minerals. This connection requires regular monitoring of the constantly growing needs of the population in order to constantly address the problem of food security and take appropriate measures.

This requires the development of new advanced technologies for the production of competitive products that meet international standards, which, in turn, requires serious financial and administrative costs.

ANALYSIS AND RESULTS:

In recent years, the share of industrial production in the structure of the country's gross domestic product has increased, reaching from 18.7% in 2011, and by 2020 this figure was 28.5%. In particular, the food industry is developing rapidly. The share of the food industry in the total volume of industry in 2010 was 18%, in 2020 - 14.1% (Fig. 1).

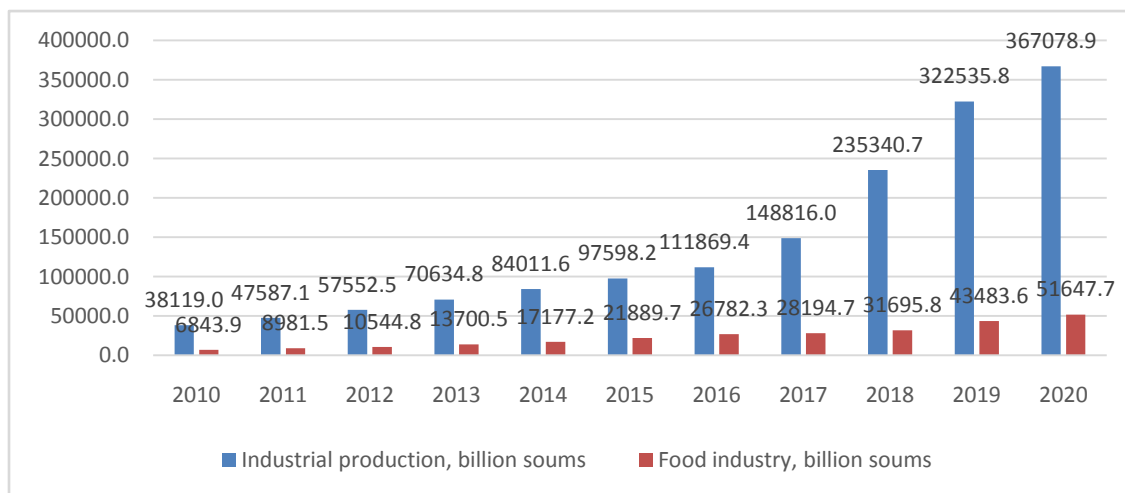


Figure 1. Industrial production, billion soums¹

¹ Compiled on the basis of the data of the State Statistics Committee of the Republic of Uzbekistan - <https://stat.uz/ru/ofitsialnaya-statistika/industry>

The food industry in Uzbekistan is characterized by the presence of both large companies producing various types of food products, and small enterprises engaged in the production of only a certain type of product. It should be noted that the number of enterprises engaged in the production of food products in the country, and the volume of their production, is increasing every year. This can be seen from the data below (Fig. 2, 3). In 2016 alone, the volume of products produced by 9404 enterprises in Uzbekistan amounted to 26782.3 billion soums, of which 1117 enterprises in the Tashkent region amounted to 4329.3 billion soums. In 2020, this indicator amounted to 19817 (210.7% compared to 2016) units and 51,647.7 (192.8%) billion soums in Uzbekistan, of which 2,173 (194.5%) units and 8102 in the Tashkent region, 1 (187.1%) billion soums.

Today in the food industry of the republic there are more than 12 thousand enterprises of various forms of ownership, including more than 100 large ones. The level of utilization of their production capacities, on average, remains low. This indicates an unused reserve in the increase in the production of food products with high added value. The reason for this situation is the lack of effective cooperation between producers of agricultural products and processing enterprises, as well as obsolete production technologies. Insufficient degree of in-depth processing of raw materials and technologies, underdevelopment of marketing, logistics and cooperation in the production of agricultural products and their processing lead to low quality of the manufactured goods, which in the medium term poses a threat to a decrease in the competitiveness of food products and loss of the market to producers.

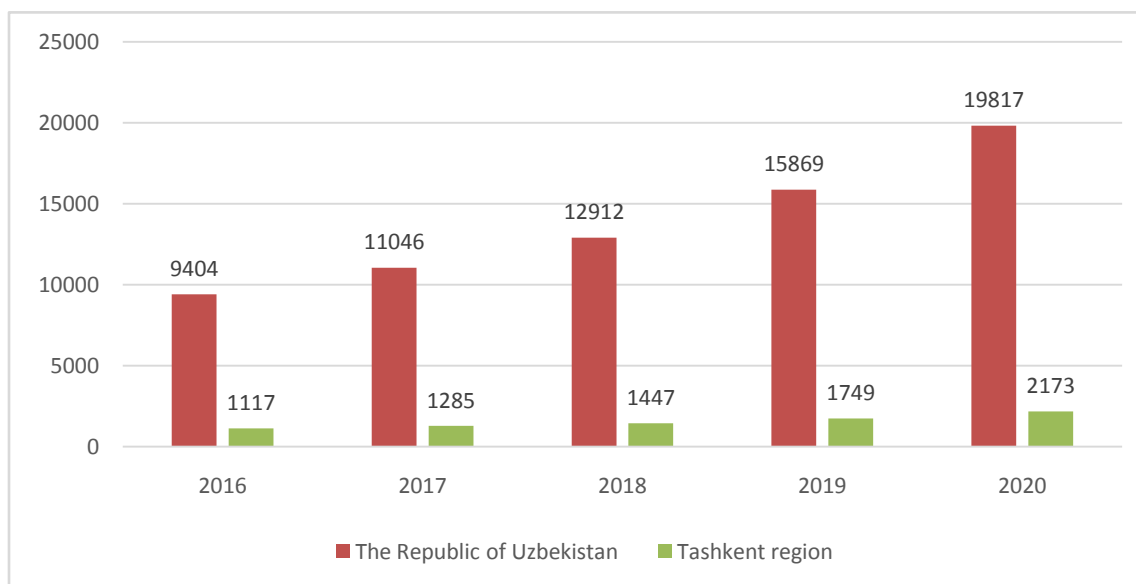


Figure 2. The number of food industry enterprises (at the end of the year)¹

Industrial growth is the result of effective economic reforms in our country. In the process of achieving these goals, the role of investment in the industry is high. In particular, the volume of investments in this area in 2020 amounted to 100085 billion soums, of which in the Tashkent region - 9528.6 billion soums. The share of investments in the total volume of investments was 49.5%. The largest investments in the

¹ Compiled on the basis of the data of the State Statistics Committee of the Republic of Uzbekistan - <https://stat.uz/ru/ofitsialnaya-statistika/industry>

manufacturing industry are: metallurgy, food industry and textile industry, including investments in the food industry amounted to 1.0%. However, the efficiency of the attracted capital, the assessment of the effective use of available resources and the analysis of the factors affecting them are of great importance (Table 1).

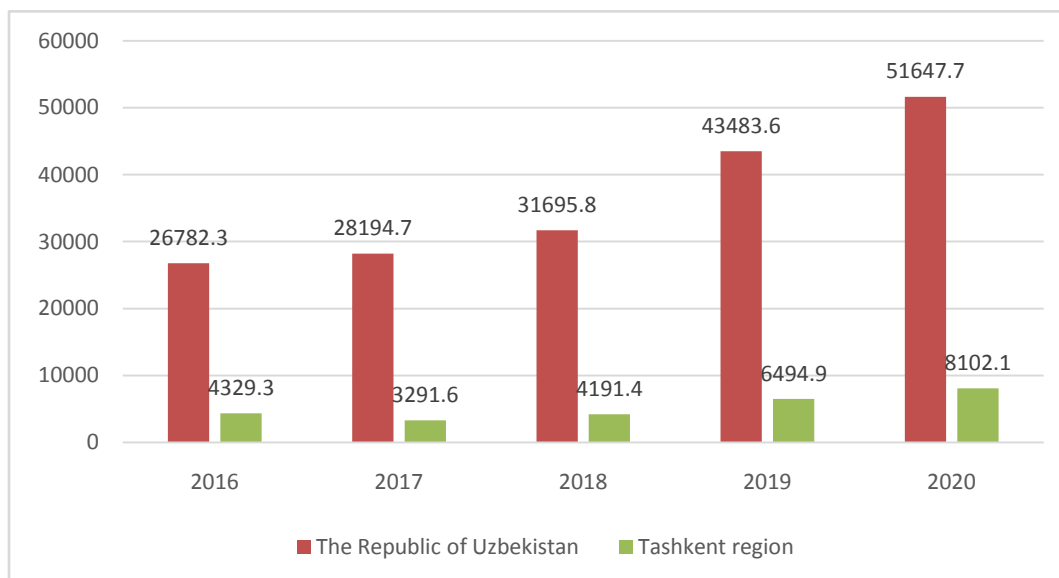


Figure 3. The volume of food production by food industry enterprises (billion soums)¹

Table 1 Foreign investment in the industry of the Republic of Uzbekistan in 2016-2020²

Years	Total investment, billion soums	of which: investments in industry, billion soums	<i>including as a percentage of the total volume of all sources, %</i>		
			foreign investment	investment in industry	of them
					to the food industry
2016	51232,0	19605,4	20,7	15,3	0,2
2017	72155,2	32877,7	23,8	17,9	0,02
2018	124231,3	59821,6	24,3	20,0	0,2
2019	195927,3	96065,4	43,6	31,3	0,8
2020	202000,1	100085,0	42,9	30,0	1,0

¹ Compiled on the basis of the data of the State Statistics Committee of the Republic of Uzbekistan - <https://stat.uz/ru/ofitsialnaya-statistika/industry>

² Compiled on the basis of the data of the State Statistics Committee of the Republic of Uzbekistan - <https://stat.uz/ru/ofitsialnaya-statistika/industry>

The main source of investment in the industry remains the enterprises' own funds, which account for over 50% of the total investment volume. At the same time, the policy of expanding the volume of lending by commercial banks to enterprises in the real sector, increasing the availability of credit resources led to an increase in the share of this source of financing in the structure of investments from 17-18% in 2015-2016. up to 40-45% in 2019-2020.

Large foreign companies are showing great interest in participating in the creation of highly efficient and high-tech industries in the food industry in Uzbekistan. Today, companies such as Coca-Cola, Nestlé, Carlsberg, British American Tobacco and others are successfully operating in the domestic market.

In recent years, new refrigeration facilities, agrolological centers, as well as enterprises for the processing of agricultural products have been created. Table 2 provides information on investment projects in the food industry in 2021-2022. As a result of the implementation of these projects, new enterprises, new jobs are being created, the resources of the regions are being actively used and the productivity of productive forces is improving, the level of poverty and unemployment is decreasing, and the income of the country's population is also increasing.

The state food policy of the country is mainly aimed at ensuring food security through its own production, taking into account the level of income of the population.

Uzbekistan is one of the few countries that did not restrict food trade during the COVID-19 pandemic. Moreover, during the pandemic, it was able to successfully mobilize its agri-food sector in order not only to prevent interruptions in providing the population with quality food, but also to use the high export potential in world markets. In addition, measures of direct support to the population during the period of quarantine restrictions helped mitigate the economic downturn and increased the economic availability of food for Uzbeks [4].

The volume of domestic production of basic food products practically covers the needs of the population of the republic in terms of consumption rates based on the recommendations of the World Health Organization (WHO), taking into account climatic conditions, principles of healthy nutrition.

In particular, per capita consumption per year (2020): potatoes - 91.0 kg (52.6 kg), dairy products - 318.6 kg (115.8 kg), vegetables - 301.8 kg (119.2 kg), fruits - 82.9 kg (73.1 kg), meat products - 40.2 kg (42.8 kg), melons - 61.8 kg (23.8 kg), grapes - 47.4 kg (17.5 kg), eggs - 226 pcs. (219.0 pcs.). Own production fully meets the needs of the citizens of the republic in meat and dairy products, vegetables, fruits and melons. Some deficiency is felt in sugar - 5.7 kg (11.0 kg), rice - 5.3 kg (9.8 kg) and fish - 4.2 kg (7.1 kg). (Table 3).

Table 2 Information on investment projects in the food industry in 2021-2022 within the framework of regional investment programs¹

T/p	Industries	Quantity, pcs.	Capacity, tons	Project cost (mln soums)	Sources of financing				Workplaces
					Own funds, (mln soums)	Bank loan, (mln soums)	Foreign credit line, (thousand dollars)	Foreign investments, (thousand dollars)	
1	Processing of agricultural products	88	247200	1986342	500440	193565	36788	91420	3438
2	Creation of an agrological center	14	121000	1157976	294168	6000		85100	1166
3	Creation of refrigeration facilities	78	56060	314635	154235	48815	8670	2400	767
4	Milk processing	66	118000	445966	134172	142420	11803	5000	1075
5	Meat processing	55	17800	326932	133960	95700	4350	5300	1023
6	Cotton and vegetable oil production	51	423600	1167108	477282	200650	27495	20920	2398
7	Bread and pasta	73	32350	107279	56759	29003	100	2000	416
8	Confectionery	50	7725	217649	95177	21400	7307	2720	1212
9	Flour production	57	144500	785705	269689	78020	20702	22750	1923
10	Other food products	29	-	341573	220331	19515	7800	2292	1266

¹ Compiled on the basis of data from the Ministry of Agriculture of the Republic of Uzbekistan

Table 3 : Information on the level of provision of the population of the republic with the main types of agricultural products¹

Food	Consumption rate, kg	Actual consumption, kg		Production, thousand tons		Consumption volume relative to the norm,%	
		Uzbeki stan	Tashkent region	Uzbeki stan	Tashkent region	Uzbeki stan	Tashkent region
Мясные продукты	42,8	40,2	50,3	1389,4	150,6	93,9	117,5
Молочные продукты	115,8	318,6	313,7	11009,9	939,2	275,1	270,9
Яйца, тыс.тонн	219	226	502	7825,0	1503,9	103,2	229,2
Рыбные продукты	7,1	4,2	3,1	144,1	9,34	59,2	44,3
Картошка	52,6	91,0	122,6	3143,5	367,1	173,0	233,1
Овощи	119,2	301,8	356,3	10429,5	1066,9	253,2	298,9
Бахчи	23,8	61,8	20,0	2134,4	59,8	259,7	84,0
Фрукты	73,1	82,9	43,8	2864,0	131,0	113,4	60,0
Виноград	17,5	47,4	38,5	1639,2	115,3	270,9	220,0
Рис	9,8	5,3	4,6	184,0	13,7	54,1	46,9
Сахар	11,0	5,7	50,3	198,5	150,5	51,8	457,3

*As of October 1, 2020, the population in Uzbekistan is 34,559 thousand people, in the Tashkent region - 2,994 thousand people

In 1990, the population's demand for food products, in particular, meat, milk, confectionery products, was satisfied by imports, while now the population's demand for such products is largely satisfied at the expense of products manufactured in our country.

Baby food is the most vulnerable item of food supply due to the lack of needs due to its own production, in particular, 3300 tons of food products for children are imported into the republic, while domestic production is 49.6 tons.

¹ Compiled on the basis of data from the State Statistics Committee of the Republic of Uzbekistan and the Ministry of Agriculture of the Republic of Uzbekistan

At the same time, the level of utilization of the production capacities of processing enterprises on average remains low, in particular, this indicator for the production of flour products - 55.0%, fat and oil - 48.0%, processing of fruits and vegetables - 42%, dairy products - 45% and meat - 55%. This indicates an unused reserve in the increase in the production of food products with high added value.

The main reason for this situation is the lack of effective cooperation between agricultural producers and processing enterprises, as well as obsolete technologies of enterprises.

In the structure of food production, beverages and tobacco products, the share of processing and canning of fruits and vegetables increased by 3%, the production of vegetable and animal oils and fats - by 1.6%, sugar - by 1.2%, soft drinks and mineral waters - by 1.0%. On the contrary, during this period, the share of production of bakery and flour products decreased significantly by 6.9% and dairy products - by 2.7%.

On September 9, 2020, the Resolution of the President of the Republic of Uzbekistan "On measures for the accelerated development of the food industry of the republic and full provision of the population with high-quality food products" was adopted [5].

However, in Uzbekistan, there are some problems in the food industry that require a quick solution, since if the food industry does not move forward, then the state will have to import more food from abroad, which will entail a sharp rise in prices and negatively affect domestic producers, and will also cause justly discontent among the population. The existing problems were exacerbated by the global coronavirus pandemic, which hit both producers and economic ties of the food industry.

In most of the food industry enterprises, it is impossible to completely re-equip production and replace outdated equipment, since this requires a lot of money. This is especially true for small businesses that do not have the appropriate resources. Therefore, companies prefer targeted investments aimed at improving existing production lines. In this regard, equipment wear and tear occurs much faster, and technologies lag behind world standards. Whereas, the pace of modern life is accelerating, and in large cities the need for more semi-finished products and ready-made food products is increasing, and new technologies are constantly needed for their production. Some enterprises do not have enough production capacity. This problem can be solved with the help of further development of leasing in order to develop technological equipment in the food industry of the country.

An important problem for the food industry in Uzbekistan is an increase in the growth of prices for raw materials in the world market, which inevitably leads to an increase in the cost of domestic food products.

Low level of competitiveness of food products of Uzbekistan in the external food market. Food products produced in Uzbekistan are of high quality, but they are not advertised enough abroad. The cooperation between exporters and manufacturers is not organized correctly, moreover, there are many difficulties in the field of logistics. The production of export-oriented products will contribute to the development of the republic's economy. It is also necessary to increase the range of manufactured products in order to move to new markets.

Insufficient number of qualified specialists in the food industry. Lack of experience, theoretical knowledge and practical skills of workers in the field constantly hinders the development of the industry.

Food standards often fall short of global standards. Responsible persons in the sphere talk about the need to revise national standards in accordance with the standards of the EAEU states in order to maintain

their competitiveness in the markets of these countries. The safety requirements for food products produced in the country also leave much to be desired.

Underdeveloped disposal of packaging materials for food products (plastic, paper), which leads to an excessive accumulation of used packaging, an increase in landfills and environmental pollution. Unfortunately, there are practically no collection points for plastic, waste paper that could send used packaging for recycling. The waste processing industry is not developed in Uzbekistan, requiring large investments.

In the production process of food industry enterprises, a large amount of water is used. A lot of water is consumed during the washing and cleaning of raw materials, rinsing in trays and troughs, pasteurization, cooling of finished products, and washing of technological equipment. Therefore, such enterprises generate wastewater that pollutes the country's water bodies. Such waters contain fat, blood, and detergents. Businesses need to install filters to drain water, but for the most part they don't. Often, the purification equipment at sewer enterprises cannot cope with so much pollution, therefore a fetid odor spreads around such enterprises, disturbing the residents of nearby makhallas.

The development by responsible persons of the sphere of an integrated and systematic approach to solving the above problems will contribute to the further development of the food industry.

CONCLUSION:

In addition to increasing production volumes and productivity in agriculture, measures are also being taken to improve the food industry management system, in particular, to introduce a system of state support for the production of domestic food products, competitive in the domestic and foreign markets, with a higher degree of safety.

These measures include:

- Increasing the volume of processing of agricultural and food products based on international quality standards;
- An increase in the volume of processing of agricultural and food products based on international quality standards;
- Creation of conditions for mutually beneficial relations between enterprises producing agri-food products with enterprises for their processing, manufacture and sale;
- Coordination of work on the uninterrupted supply of agricultural food processing enterprises and exporters with the required amount of high-quality raw materials;
- increasing the production of products in accordance with the requirements of international standards on the basis of the principle "from field to table", expanding the scope of organizations for their processing and export in accordance with these standards, accelerating the certification of export-oriented products;
- Cproducts in world markets, increasing their competitiveness and expanding their export potential;
- Organization of exhibitions and fairs in the republic and abroad of products of agricultural, food and processing enterprises, further increasing the presence of domestic products in international markets and attracting world attention to them;

- Taking measures for training, retraining and advanced training of personnel with modern knowledge and skills based on agrarian innovation systems for enterprises growing and processing agricultural and food products;
- wide involvement of foreign experts in the field of agricultural production and food production.

As part of the reforms, measures were taken to create food reserves and ensure macroeconomic stability in the event that a threat to the country's food security arises. All this has become possible both thanks to the systematic and consistent work of recent years, and to emergency measures during the period of quarantine restrictions during the COVID-19 pandemic.

Thanks to this, a stable food system began to form, invulnerable to external shocks and shocks, providing both internal and external demand for food products.

The improvement of the position in the rating of the countries of the world in terms of food security is evidence of the success of the food policy pursued in Uzbekistan. So, according to the index of food security (The Global Food Security Index) according to the analytical agency The Economist Intelligence Unit in 2019, Uzbekistan took 71st place [6] in the world, having risen by nine positions compared to 2018.

Taking into account the results of the analysis, for the further development of the food industry, it is necessary to implement the following measures to improve the standard of living of the population:

- Advanced training of personnel at food industry enterprises;
- Increasing investment in the industrial sector;
- Providing the population with quality food by improving the activities of agricultural processing enterprises.

At present, in order to accelerate the development of production in the food industry, the construction of processing enterprises, increase the efficiency of the implementation of investment projects for the reconstruction and modernization of existing ones, it is necessary:

- Further improvement of financing of investment projects;
- Support for entrepreneurs through leasing on the basis of modern technological equipment;
- Strengthening the material and technical base of projects and improving energy supply;
- Improvement and improvement of the quality of the system of training, retraining and advanced training of economic specialists in the design of investments in economic colleges;
- Organization of effective use of information and communication technologies by initiators of investment projects;
- Control over the implementation of projects.

Thus, in the coming years, it is possible to predict the acceleration of the development of the food industry in Uzbekistan. However, for this it is necessary to solve a number of important problems: it is necessary to strengthen the material and technical base for the development of the food industry and create a modern network of infrastructure in this area; modernize the production and processing potential of the main food industry enterprises through the use of modern technologies, innovative functions and new management methods; it is necessary to increase the attractiveness of the investment climate of the food

industry, its enterprises in the main regions of the country; it is necessary to actively apply world experience in order to intensify the development of the food industry using more productive practical mechanisms and tools; create new modern and high-tech networks of food industry enterprises in the country, which can contribute to a significant increase in food security in Uzbekistan in the context of global food problems in modern conditions.

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FACTORS AFFECTING THE INVESTMENT CLIMATE IN KASHKADARYA REGION

Safarov Sindor Sanjar o'g'li¹

ABSTRACT

This article provides an analytical approach to the investment potential of Kashkadarya region, focusing on the effective formation of investment flows. The investment climate of the region is analyzed, conclusions and practical recommendations are given.

Keywords: *Kashkadarya, investment, investment potential, investment flow, investment attractiveness, fixed capital, centralized and decentralized investments, labor force, investor, labor resources.*

It is important for Uzbekistan to develop proposals and recommendations to study the possibility of increasing the regional investment attractiveness of the country.

Today, to achieve sustainable economic growth, to increase incomes, to improve living conditions and the socio-economic development of Kashkadarya region of the Republic of Uzbekistan largely depend on the volume and component of investment in various sectors of the national economy.

"Economic growth, first of all, will be achieved through the creation of competitive industrial chains and increased investment in such projects."² Therefore, the steady trend of the socio-economic development strategy of each region is inevitably focused on creating an attractive environment for attracting investment in the regional economy.

In this regard, the following conditions are provided in Kashkadarya to attract foreign investors in the region:

- Political stability in the region;
- Formation of the legal framework for the protection of private property and competition;
- Establishment of infrastructure to support the investment process;
- Comfortable geographical location of the region;
- High potential for the development of the agro-industrial sector and the richness of the region's mineral resources;
- Availability of highly qualified labor resources;
- Sufficient width of the domestic market for trade.

Due to the comfortable geographical location of the Kashkadarya region, provision with its natural mineral resource base, as well as the richness of highly qualified labor resources, it is possible to effectively

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²Used from the President of the Republic of Uzbekistan Sh.M. Mirziyoyev's "Appeal" to the Oliy Majlis.

carry on investment activities in the region. The share of investments in fixed assets per capita in Kashkadarya region was in 3rd place by indicating seven and a half million thirty-four thousand six hundred (7,534,600) soums, nearly equal to half of Navoi region (17,855,200 soums) and Tashkent (167,710,500 soums), in 2019. It was more 1,700,000 soums than the average level of such index in Uzbekistan. The average annual growth rate in the region was 1,975,600 soums.

It is known that in the developed countries of the world community, multi-storey buildings that fully satisfy modern requirements have raised. Such skyscrapers not only provide a place for the population being grown in a quantitatively geometrically progressive way in the country, but also create a base of interests for foreign and domestic investors, along with the formation of an influx of tourists visiting the country. In last years, Kashkadarya has been paying good attention to construction sector. This indicates that the Kondratiev wave in Kashkadarya, the construction cycle, lasts an average of 50-60 years and investors are formed spontaneously.

In last years, construction work has been carried out effectively in all regions of the country. In 2017, Uzbekistan spent 34 trillion 698 billion soums on construction in the regions. While Tashkent had the largest share with 17.9%, Kashkadarya region was in the 2nd position with 8%. In 2018, Uzbekistan spent 51 trillion 129.3 billion soums on construction in the regions. The largest share was in Tashkent with 21.2%, the second was followed by Kashkadarya region with 7.2%. Compared to 2017, in 2018, despite the fact that investment in construction increased by a total of 942 billion soums, its share in the country fell by 0.8%. By 2019, the share of Kashkadarya in Uzbekistan was 6.1% with 4365.3 billion soums, as well as the 5th place among the regions. The average annual growth in construction in the country was 935.92 billion soums, while in Kashkadarya the average annual growth was 803.1 billion soums, 132.82 billion soums lower from the Republic average index. Since the level of capitalization of labor can be assessed depending on the amount of fixed capital (the value of fixed capital is divided by the number of employees), it is natural to invest in fixed capital. We focus on the comparative expenditure of fixed capital investment across regions.

During the given periods, the assimilation of investments in fixed assets in almost all parts of the country increased in 2017-2019, and due to the pandemic, the amount of the investments decreased significantly in 2020. The average growth rate of assimilated investments in the Republic of Uzbekistan was 19.8%, in the regions - 25.35%, and in Kashkadarya region - 11.85%.

Kashkadarya region ranked 3rd among all the regions in 2017, and it dropped to 11th place in 2018. It was also ranked 11th in 2019, and by 2020, the region was ranked last due to a decline in investment utilization due to the pandemic. In 2019, the volume of investments in fixed assets amounted to 24462.5 billion soums or it raised by 131.2% when comparing to the same period last year. The attracted funds amounted to 19,055.5 billion soums while own funds of enterprises and the population was 5407.0 billion soums (Table 6).

Table 6
Distribution of investments in fixed assets by sources of financing¹

	Billion soums	Growth rate, in%	Proportion, in%
At the expense of all sources of funding	24462,5	131,2	100
Centralized investments:	10587,3	111,9	43,3
Republican budget funds	810,1	102,6	7,7
Development of water supply and sewerage systems	171,6	227,9	1,6
Foreign investments and loans guaranteed by the Republic of Uzbekistan	9605,6	123,8	90,7
Decentralized investments:	13751,6	149,4	56,2
Own funds of enterprises	4019,5	100,1	29,2
Population funds	1387,5	95,6	10,1
Foreign direct investment and loans	7601,8	419,2	55,3
Commercial bank loans	713,4	60,9	5,2
Other borrowings	29,4	436,9	0,2

The distribution of fixed capital investments in the Kashkadarya region is reflected in centralized and decentralized investments. Centralized investments amounted to 10587.3 billion soums, the largest share was foreign investments and loans guaranteed by the Republic of Uzbekistan (9605.6 billion soums), the lowest share was investments in the development of water supply and sewerage systems (171.6 billion soums). Decentralized investments amounted to 13751.6 billion soums, of which the largest share was in foreign direct investment and loans (7601.8 billion soums), the smallest share was in commercial bank loans (713.4 billion soums) and other sources of debt (29, 4 billion soums).

So, even in the current period, investments in fixed assets were relatively made at the expense of attracted funds.

Conclusions and Suggestions

Due to the fact that Kashkadarya region is located in a convenient zone, saturated with production resources, this area is considered to be highly profitable for investors and highly profitable for the local population. Because, the large number of locals, in turn, meant an increase in the number of employed. Thus, created inexpensive labor forces. As a result, investors will have cheap labor, relatively low-cost

¹ Formed with Qashstat.uz

goods and services, and consumers will have a cheap and high-quality consumer basket. There are the following barriers to circulate investment flow effectively:

- The main obstacles to attract foreign investment are staffing issues, lack of information for investors.
- There is no website to sustain investors with new and detailed information.
- Lack of legislation in English makes it difficult to attract foreign investors.
- Lack of public and investor confidence in the ability to ensure a fair process hinders economic development.

My suggestions to increase the attractiveness of investments in Kashkadarya region are:

- Overcoming the above obstacles.
- Introduction of a website that provides economic entities with the necessary information. This is because users may have no difficulty to find necessary information.
- To introduce innovative reforms in education in the formation of a system of incentives for high-potential staff. This leads to an increase in the number of skilled staffs.
- To place manufacture forces correctly via estimating the economic potential of the regions correctly. As a result, the level of economic well-being begins to increase.

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THE IMPORTANCE OF QUALITY MANAGEMENT AND STRATEGIC MANAGEMENT SYSTEM INTEGRATION IN THE SUSTAINABLE DEVELOPMENT OF THE TEXTILE INDUSTRY

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ABSTRACT

The article discusses the importance of integrating quality management and strategic management systems in the sustainable development of the textile industry of the Republic of Uzbekistan in the context of market volatility.

Keywords. *Quality management, strategic management, integration, system, industry, sustainable development, textile industry.*

Introduction.

The integration of the Republic of Uzbekistan into the world economic space, the globalization of the world economy and the problems of modern foreign policy place new demands on the management processes in all sectors of the economy. This statement is especially important for the textile industry, which is considered one of the leading sectors of the national economy of all countries in the world.

During the years of independence in the Republic of Uzbekistan, serious attention has been paid to the development of key sectors of the economy, and sufficient investments have been attracted to the development of these sectors. Such industries include the textile industry. The country has sufficient conditions for the development of the textile industry, as well as raw materials and labor resources. The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 identifies important tasks to "deepen structural reforms, increase its competitiveness through modernization and diversification of key sectors of the national economy" [1]. Successful solution of such priorities requires the effective use of available resources, as well as the development of a management system. The current system of network management does not provide sufficient resilience to changes in the market economy. Therefore, the integration of quality management and strategic management system in the sustainable development of the textile industry is a topical issue.

Analysis of the relevant literature.

Strategic management emerged in the 1960s as an innovative approach to the organization of scientific direction and management. Until now, however, strategic management has been seen primarily as a task of managing market entities at a lower level - enterprises, firms, organizations.

In his book "Corporate Strategy", I. Ansoff interprets strategic management as "a way of knowing, its beginning is a strategic diagnosis, the path of additional measures and the culmination - new products, new markets and technologies, as well as new opportunities" [2].

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V.N.Rodionova understands strategic management as "the process of developing, making and implementing strategic decisions, the central part of which is a strategic choice based on comparing the resource potential of the enterprise with the opportunities and threats of the external environment" [3].

According to M.I.Kruglov and N.Yu.Kruglova: "Strategic management expands the horizons of foresight, strengthens long-term and thus timely response to changes in the external environment of the enterprise: commodity and technology markets, scientific, technical, economic, social and political spheres. is an opportunity to respond "[4].

According to G.B.Kleiner, "strategic management is a system of views and recommendations on enterprise management based on the processes of formulating, implementing and modifying a company's strategy to achieve business success" [5].

According to Hoffer and Schendel, "strategy is the main link between the goals and objectives of the enterprise" [6].

Isaev R.A. The study of the development of textile clusters in the Republic of Uzbekistan focuses on strategic management [7]. This author studied the issue of improving the organizational and economic mechanisms for the implementation of the strategy in the process of integration of quality management and strategic management systems in the textile industry of the Republic of Uzbekistan [8].

The concept of "sustainable development" is relatively new, and many of its features reflect strategic, long-term, systemic development. The concept of "sustainable development" was enshrined in the 1987 report of the United Nations International Commission on Environment and Development. The organization's view is that sustainable human development is "development that meets the needs of the present, but does not compromise the ability of future generations to meet their own needs." This definition is generally accepted and used by many scientists, but if you design it for enterprise management, many questions and problems arise [9]. This view can only be considered real when the future needs of the object of control are known at each given time.

Russian scientist V.N.Turchenko gave the most general definition, so it is properly adapted to different areas of scientific research. In his view, sustainable development is "an internally determined change in the object associated with an increase in the level of its organization, directed to a certain type of gradual" [10]. The specificity of this situation focuses on the following aspects: direction of movement; the presence of an internal source of motion; quality changes in the system.

Modern economic science focuses on the financial characteristics of the stability of the enterprise, that is, financial stability. However, this approach is not entirely justified, as modern financial diagnostic technologies accept accounting data as a source of primary data, i.e., they are only retrospective and descriptive of the situation. Using such an approach, it is only possible to control the stability of the enterprise, i.e. it is an instantaneous description.

The concept of the Russian scientist A.V.Dotsenko is relatively economically justified. He speaks of the concept of economic sustainability of an industrial enterprise and describes it as "the ability to raise funds to recover and develop costs, a condition for the timely payment of bills" [11]. However, in our opinion, the author does not take into account the impact of the dynamics of environmental factors on the sustainability of development, which leads to some limitations in the application of this approach.

Research methodology.

Methods such as experimental, selective observation, comparison, expert evaluation, statistics were used in the research work.

Analysis and results.

As for the industry, especially the textile industry, the basis of business continuity is the ability to attract and effectively use the resources needed to produce and sell products in the long run. In our view, the methodological framework cited in the research of foreign and domestic scholars is based on the identification of the described characteristics and strategic potential of the enterprise. For example, the Association of Textile Industry considers the balanced and rational use of production resources as a key requirement for sustainable development in the interests of present and future generations. The focus on sustainable development will facilitate construction activities to address major international challenges such as energy supply, reducing environmental threats and harmful emissions, and accelerating social development.

Sustainable development goals in the global field are fully consistent with the concept of sustainable success, which is regulated by the ISO 9004-2010 standard. The author's understanding of the sustainable development of the textile industry is based on a comparison with the concept of development for sustainable success, which is regulated by its DSt ISO 9001: 2015 and can be reflected in several rules [12].

First, the achievement of higher results than those achieved in the process of developmental activity involves evolutionary changes. New level results and ways to achieve them are planned and managed in accordance with the principles of quality management (customer orientation, the needs of all stakeholders, the implementation of continuous performance improvements, process approach, etc.).

Second, the sustainability of development is determined not by increasing the quantity and quality of the results achieved over time, but by the stability over time of the positive dynamics of progressive change (continuous improvement). In other words, stability is characterized by constant progress.

Third, the dialectical nature of sustainable development implies constant development, the use of various modern means to sustain this movement.

The main requirement for sustainable development for the textile industry is the balanced and rational use of production resources in the interests of present and future generations, safety and reliability. The main requirement for sustainable development for the textile industry is the balanced and rational use of production resources in the interests of present and future generations, safety and reliability. In our view, the use of a coordinated system of quality management and strategic management in the future sustainable development of the textile industry will help achieve the sustainable development goals by systematizing the management process, reducing barriers and problems of functional interaction between separate processes. The study of scientific and methodological approaches in the management of the development and sustainability of the textile enterprise has led to the conclusion that the consideration of this problem from the point of view of strategic management will be most complete, primarily at the state level. In our view, the use of a coordinated system of quality management and strategic management in the future sustainable development of the textile industry will help achieve the sustainable development goals by systematizing the management process, reducing barriers and problems of functional interaction between separate processes.

Based on the content analysis, it can be concluded that there are fundamental regulatory policy documents in the strategic direction for the sustainable development of the textile industry, which can serve as a basis for the development of corporate strategies. It should be noted that the results of the analysis show that the development strategy of the Association of Textile Industry does not define the place of quality management and key state development concepts, insufficient attention to the basic principles of quality management and effective use of modern quality management tools. The development strategy of the industry pays great attention to the establishment of new textile enterprises, increasing their capacity, the organization and development of cotton and textile clusters, increasing the volume of production, processing and sales of cotton products.

In order to achieve long-term goals, it is necessary to integrate the relevant areas of management in the form of elements - strategic management and quality management, integrated use of specific methods and tools to achieve synergistic impact, development of consistent policies and plans in the field of quality and enterprise development strategy; a systematic system for clearly formulating goals and tracking their implementation and appropriate change. Such a development scenario is envisaged in the "roadmap" for sustainable development of textile enterprises, developed by us under the strategic initiative to integrate quality management system (QMS) and strategic management (SM) (Table 1).

Table 1. Changes in the external context of the implementation of the "Roadmap" for sustainable development of textile enterprises

External negative factors	Opportunities
<ol style="list-style-type: none"> 1. The complicated geopolitical situation in the world, the introduction of sanctions for the supply of imported high-tech equipment; 2. Redevelopment of global textile markets; 3. Restrictions on exports of textile products to EU markets; 4. Cruel competition. 5. Price elasticity of textile products; 6. Lack of experience, SMT and integrated management systems; 7. Lack of attention of the Association's enterprises to the development and implementation of development strategies; 8. Uncertainty in the implementation and operation of SMT; 9. Imperfection of the mechanism of coordination of management decisions in the relevant areas of management. 	<ol style="list-style-type: none"> 1. Consolidation of basic procedures and documents; 2. Systematization of the management process; 3. Reducing costs, including ensuring the consequences of separate control systems and the wrong decisions to be made while meeting the requirements of appropriate control systems; 4. Quality goals are consistent with strategic goals; 5. A multifunctional control system with minimal costs for its creation and operation. 6. The use of risk management processes allows you to save material and organizational resources of the enterprise; 7. Reducing the number of processes and procedures relative to the total number of processes specific to autonomous control systems; 8. Separation of functional barriers and personnel in the enterprise, arising in the process of development and operation of autonomous management system, ensuring the goals of the organization; 9. Increasing competitiveness, expanding sales markets, improving the image, flexibility and resilience of the enterprise, etc.

Source: author's development.

Thus, the main causes of many problems of textile enterprises are high instability of the external environment, geopolitical complications, restrictions on imports of high-tech equipment, fierce competition in the global and domestic textile market, restrictions on textile exports to EU markets, as well as environmental problems. special attention is paid. Therefore, the interest of shareholders and managers of textile enterprises in sustainable development is growing, which is characterized not only by the high efficiency of current activities, but also the ability to adapt to unstable external conditions for a long enough period of time. The importance of these issues is not limited to the scope of a particular enterprise, the sustainable development of the textile industry in many respects determines the success in solving many socio-economic problems of the regions and the state as a whole.

Today, there are changes in the development of quality management - from narrow professional specialization to the integration of the enterprise with general management and, in particular, strategic management.

The works of E. Deming, the father of the quality revolution in Japan, the revolutionary of capitalism, became the most famous in the whole world. For 65 years, E. Deming conducted research, the results of which later served as the basis for the activities of many companies in different countries around the world.

E. Deming's approach to quality is based on the fact that the reasons for the company's low efficiency and low product quality are often hidden in the system rather than in the employees. Therefore, managers need to make adjustments to the system itself to increase production efficiency.

E. Deming emphasizes the need to collect deviations from standards, in particular, to reduce deviations in the organization's processes and products. Particular attention should be paid to the search, analysis and elimination of the causes of deviations. The principles of E. Deming, published in the book "Overcoming the Crisis", are still the basis of quality management around the world [13].

A. Fayol developed 14 principles of governance, in his opinion, the system of principles he proposed is universal and can be used both in the management of the organization and in the management of the economy of the whole country [14].

Foreign and domestic scientists took part in the further development of the principles of strategic management. At the present stage, when the enterprises of the republic operate in a highly competitive environment, in conditions of risk and uncertainty, they simply need to use new creative approaches to effectively manage the enterprise. Researchers develop and put into practice new principles of strategic management that contribute to the successful operation of the enterprise. At the same time, various authors have formulated about 100 principles that are relevant to modern business conditions, depending on the conditions of the business environment, which is the object of their research.

From our point of view, among the many principles proposed by modern scientists, many of them focus only on strategic planning, sometimes they repeat the essence of the general principles discussed above, but some scholars clearly take into account the full cycle features of strategic management and functional logic of each stage of management even if the recipient identifies specific principles.

We have tried to compare E. Deming's quality management principles, the TQM principles developed based on them, the principles based on the ISO 9000 series standards, and the strategic management principles. The results of this comparison in Table 2 show that the system of strategic management (SM)

principles is almost completely compatible with the different options of quality management (QMS) principles, with some aspects of individual processes having a sufficiently specific description.

Table 2. Integration of QMS and SM principles

Deming principles	TQM principles	ISO series 9000 principles	Principles of strategic management
1.Continuous improvement	2. The main focus is the customer	6.Continuous improvement	Continuous (File); efficiency (modern)
2. New philosophy	1.The role of management	2. Leadership	Participation (Akoff)
3. Completion of mass inspections	8. Process management. 12. Evaluate the effectiveness of the quality management system.	4. Process approach. 5.Systematic approach. 7.Evidence-based decision making	Complexity (modern); alternative (modern).)
4. Caution when shopping cheaply	9. Quality of suppliers	8. Mutually beneficial relationships with suppliers	Privacy (Akooff); complexity (modern)
5.Continuous improvement of systems	8. Process management. 11. Best experience. 12. Evaluate the effectiveness of the quality management system	4. Process approach. 7. Evidence-based decision making	Continuity (File); Dimensionality (modern; efficiency)
6.Personnel training system	4.Involve all employees. 5. Staff training	3. Involve employees.	Participation (Akoff); complexity (modern).
7.Effective management	1.The role of management	2. Leadership	Participation (Akoff); efficiency (modern)
8. Overcoming the environment of fear	5. Staff training. 6.Rewards and recognition	3. Involve employees.	Participation (Akoff);
9.Removal of obstacles	4.Involve all employees.	3. Involve employees.	Flexibility (File); Alternative (modern).
10.Rejection of slogans	3. Strategic planning. 8. Process management	4. Process approach. 5.Systematic approach	Clarity (File); Privacy (Akoff).
11.Rejection of arbitrarily established norms in the	11. Best experience. 12.Evaluate the effectiveness of SMT	7.Evidence-based decision making	Flexibility (File)

workplace			
12. Encourage learning	6. Awards and Recognition	3. Involve staff. 6. Continuous improvement	Participation (Akoff); scientific approach (modern).
13. Reorganization is everyone's business	4. Involve all employees. 10. Information system	2. Leadership. 3. Involve employees.	Unit (File); Participation (Akoff).

Source: Author's development based on the results of empirical research.

All of the management systems considered pay close attention to the principles that define the roles of management and employee participation (Deming's 7-9; TQM - the role of management, involving all employees; ISO 9001-2015 - leadership, staffing). Top management should demonstrate leadership in the quality management system and be responsible for its implementation and management, ie take responsibility for its effectiveness, ensure the integration of quality management system requirements into the organization's business processes, attract and support employees who contribute to QMS efficiency.

In general, management is required to create a conducive business environment and culture that encourages employees to strive for improvement and achieve goals [15].

As Kaoru Ishikawa points out in his book, Japanese Quality Management Methods, "... quality management is effective when all employees of the company, from the president to the production workers, are involved" [16].

Another component of leadership and senior management commitment is to demonstrate customer-focused and loyalty to other stakeholders. Such an approach is reflected in both the Deming principles and the TQM principles. However, in previous versions of ISO 9001, the main stakeholder was the consumer, while the new version of the standard offers to identify all stakeholders in the context of the organization.

Thus, the analysis of the different systems of principles demonstrated their universality and the possibility of integrated use in the management systems under consideration. Despite the conditional division, all principles must be integrated into a single system that can ensure the strategic stability and efficiency of enterprises.

Conclusions and suggestions.

The following measures should be taken to effectively introduce a strategic management system integrated with the quality management system in the textile industry:

- Creation of a strategic management database that collects information on the context of enterprises (external and internal environment);
- Organization of data collection and analysis activities;
- Training in new ways of working;
- Improving the quality management system and involving consultants in the training of its methods;
- Alternative system of processes, improvement of all elements of the quality management system;

- Implementation of quality management methods;
- Improving measurement, analysis and refinement processes;
- Establishment of a system of monitoring strategic indicators and an adequate management decision-making system.

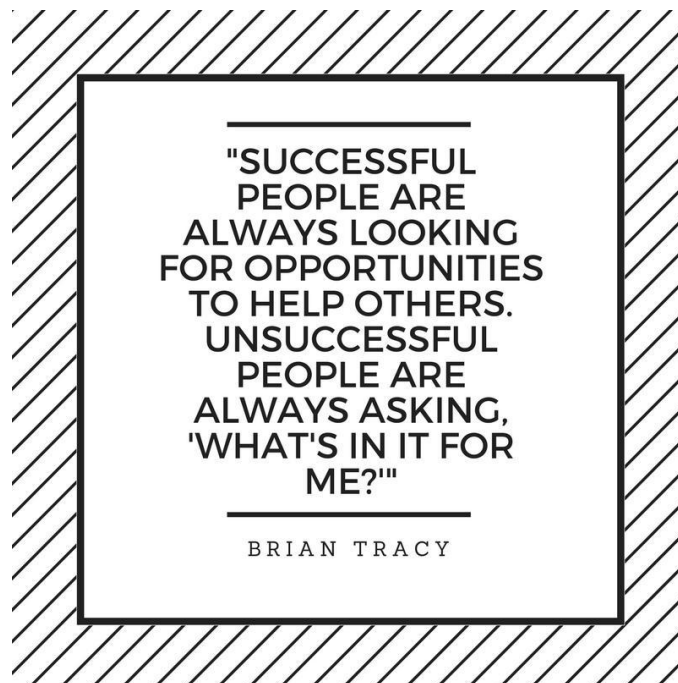
The advantages of integrating management systems are:

- Comprehensive planning of enterprise development, taking into account all stakeholders and their requirements: shareholders, investors, consumers, employees, society;
- Market benefits (ability to meet the needs of stakeholders, improve the image of the enterprise, increase competitiveness, expand trade markets, etc.);
- Reducing the level of conflict and potential conflicts between the benefits associated with quality, environment, labor protection, more efficient allocation of resources by analyzing the cost (effectiveness) of the planned activities;
- Reduction in the number of processes and procedures relative to the total number of processes specific to individual control systems;
- Reduction in the number of processes and procedures relative to the total number of processes specific to individual control systems;
- The leveling of cross-barriers and employee disagreements in the enterprise, which occur in the process of development and operation of the autonomous management system, ensuring the goals of the enterprise;
- Financial benefits (in contrast to the total cost in several autonomous management systems, the possibility of reducing the cost of time and other resources for the development and operation of an integrated management system, the repetition of processes is excluded);
- Administrative advantages (ensuring high quality of information used in decision-making, reducing the level of bureaucracy and the number of errors in accordance with the requirements of various standards, ensuring greater consistency of actions within the company, reducing the number of regulatory documents, unlike large documents when using multiple autonomous management systems);
- Legal benefits (assessment and differentiation of legal requirements, compliance with the law, improving relations with regulatory authorities);
- Expansion of intangible assets: patents, commodity value, business reputation, business traditions of the enterprise, the level of internal management, etc. ;
- Increase competitiveness, expand trade markets, improve the image, flexibility and adaptability of the enterprise, etc.

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STATE FINANCIAL SUPPORT FOR SPECIFIC INSURANCE PRODUCTS: EXPERIENCES OF THE EUROPEAN UNION, THE UNITED STATES, AND MEMBERS OF THE WORLD TRADE ORGANIZATION.

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ABSTRACT

This article examined ways to stimulate and promote not only direct methods, but also through the use of financial instruments of agricultural enterprises.

It studies the system of subsidies and state financial support of insurance in Poland as a member country of the EU, which receives assistance through the financial instruments provided for Common agricultural policy, and the United States of America with the aim of adapting the system to existing opportunities and needs. The basic contradiction of the common agricultural policy of the EU concerning subsidies and the use of insurance for independent risk management and stability of farmers' income.

Key words: *Insurance, State Support, Subsidies, Farmers, Agricultural Risks, Insurance Services.*

Introduction

The world's largest producers, consumers, and importers of agricultural products are the United States and the European Union. The EU export product structure is dominated by finished agricultural products, where the World Trade Organization also counts products, which is not directly related to agricultural production (for example, water, perfume), which is characterized by high added value, it accounts for 60% of the total export of EU agricultural products [2].

The leading positions of the EU in agricultural production and world trade in agricultural products are largely conditioned by state financial support for insurance products aimed at the development stability of the agricultural complex of the European Union.

The main producer, consumer, exporter and importer of agricultural products in the world is the European Union. The EU export structure is dominated by finished agricultural products, which are most often understood as "agricultural products," which are defined in several categories: 1) commodities – agricultural raw materials (grain wheat, sunflower seeds, etc.); 2) intermediate products – semi-finished products (e.g. flour, mince); 3) final products – final products, that is, ready-to-consumer products (food and tomato-like); 4) "other" (products that are not directly related to agricultural production [2]). The leading positions of the EU in agricultural production and world trade in agricultural products are largely due to the peculiar conditions for the development of the European Union agrarian complex, which were created as a result of the introduction of the EU Common Agrarian Policy and financial instruments serving this market.

Many scientists give mixed estimates of the effectiveness of state financial support for insurance products aimed at farmers, foreign colleagues have no doubt about the need for state support for the

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agricultural sector. This is due to the lack of study of risk management mechanisms that are present in the farmers' activities of EU member states.

Literature Review.

Researchers such as V. Belozubenko, S. Demyanenko, A. Mogilny, T. Zinchuk, A. Korolkov, N. Kiriyyenko, N. Prokudina, and others dealt with the problems of the formation and implementation of measures of the EU General Agrarian Policy. The works of such authors as A. Amosha, V. Bazilevich, V. Butova, K. Voblogo, L. Tsremenko, L. Nechiporuk, A. Zaletova, M. Klapkiva, E. Kolomin, S. Reverchuk, Yu. Rubin, S. Osadtsya, N. Tkachenko Y. Shumeldi, G. Yuldasheva and others are devoted to the issues of risk management and insurance of the agricultural business.

At the same time, the development of the subsidies and insurance system with the financial share of the state is fundamental, in fact, the insurance services development as an indirect state support element for the agricultural sector is promising, they leave insufficiently developed and covered in the economic literature.

The purpose of the article is to study the subsidies and state financial support system for insurance in Poland, as an EU member country, which receives assistance through the system of financial instruments provided for in the General Agrarian Policy of the United States of America in order to adapt the system of existing opportunities and needs.

Analysis and Results

The general agrarian policy of the EU is understood by us as an activity in the field of agriculture, which is based on structural policies expressed in rural development programs and market policies.

The structural policy has social aspects in particular, its implementation purpose was to reduce the unemployment rate in rural areas by creating conditions for youth employment, pensions for workers employed in agriculture, the development of social infrastructure, housing and communal services, as well as agricultural science and education. Measures taken by Member States within this policy framework, aimed primarily at eliminating the economic imbalance between prosperous and depressed regions, bringing the quality and standard of living in rural areas closer to the city. In the EU, this has become a large-scale program for rural social development [6, pp. 10-11].

In order to promote the general harmonious development of territories in the least favorable economic conditions, the EU implements projects and modernizes its economic, social and territorial cohesion. The previous version of the Treaty establishing the European Community on 21 March 1957 stated that, to this end, society seeks to reduce the imbalance in the development levels of different regions and the underdevelopment of regions or islands in the least favorable conditions, in particular villages (p. 158).

Today, priority has been given to the rural areas development affected by industrial development, regions with low demographic indicators, as well as northern regions with very low population density, island, transboundary and mountain regions (p. 131 p. 2 of the Lisbon Treaty amending the Treaty on the European Community and the Treaty establishing the European Community on 13 December 2007).

The reform of the Common Agrarian Policy, starting in the 1980s, gradually changed the structure of aid to EU farmers, and reduced the share of agricultural spending in EU GDP. For example, from 1980 to 1991, the expenditures of the General Agricultural Policy consisted only of support for market prices and export

subsidies, that is, instruments that distort world trade, but contribute to a rapid increase in the productivity of the agricultural sector [1].

Thus, having achieved a significant level of self-sustainment of EU member states with basic agricultural products, the question of improving the competitiveness of EU agriculture, and its sustainability, regarding the risks inherent in this business weather anomalies observed in recent years show a significant impact on production and the economic situation, such as drought, hail, heavy rain, flooding or freezing.

Estimating the spread of insurance, among farmers in the EU (where compulsory building and owner liability insurance has been used for decades), one can note significantly less effectiveness from those types of insurance that were previously optional.

Under the 2008 "SAP Audit" reform, the EU has given greater priority to market-based agricultural regulation, and there is still a high level of support for European farmers to ensure the uninterrupted supply of basic agricultural products to markets [9]. As part of the reform, EU member States have been given considerable flexibility because they have acquired the right to channel "Article 68" funds (assistance to sectors with special problems) to various areas to help farmers in difficult areas and to support vulnerable types of farms. In addition, these funds could be used for risk management activities such as natural disaster insurance. This article began to apply to ten new member countries, which until 2013 used a single payment scheme for land area.

A significant factor that increases interest in insurance in the EU is the changes in the EU General Agrarian Policy regarding state assistance in the adverse events and the content of p.11 of the Commission Regulation (EC) №1857/2006 on 15 December 2006 on the application of p.87 and 88 of the Treaty on State Assistance to Small and Medium-sized Enterprises Engaged in Agricultural Production Activities and Amendments to the Regulations (EC) № 70/2001 "from 1 January 2010, the proposed indemnity shall be reduced by 50%, unless it is provided to farmers who have insurance coverage of at least 50 % of average annual production or productive income, and cover the risks of adverse climatic events statistically most commonly realized in a Member State or region. "[12] This means that the absence of an insurance contract will not allow to receive all compensation for the damage received.

It should be noted that this provision concerns compensation, so that farmers who are insured and underfunded are covered. It does not apply to farmers who did not insure production, so they cannot count on any compensation from the EU, except directly for state assistance.

At the same time, such an obligation is provided for possibility of using premium surcharges based on the Community Principles on State Assistance in Agriculture and Forestry 2007-2013, item V. B. 5.2. the Commission recognizes that relief for insurance premiums in accordance with p. 87 of paragraph 3 of the Treatise, if it meets all the conditions set out in section 12 of Commission Regulation (EU) №1857/2006 on 15 December 2006, at the same time the Commission shall extend public relief to insurance premiums for large firms. In accordance with these EU provisions, the assistance in the form of surcharges for insurance payments can be used provided that the gross intensity of the financial resource should not exceed 80% of the insurance premiums value for losses caused by adverse climatic phenomena that can be attributed to natural disasters, or 50% of the value of insurance premiums for other losses caused by climatic phenomena [3].

According to the EU Principles on State Assistance in Agriculture and Forestry for 2007-2013, adverse weather conditions, such as frost, hail, ice, rain or drought cannot be considered as natural disaster, but for

damage that may occur in agricultural production or the means used for such production, this kind of event can be compared to natural disasters if the level of damage reaches 30% of normal production. The Commission's provisions before it take into account above all the fact that insurance is the most useful financial instrument for effective risk and crisis management. Taking into account the limited financial capacity of farmers, the Commission is positive evaluates state subsidies for primary product insurance (farmers) as state financial support for socially important insurance products.

The level of use of subsidized funds, which is laid down in subsidies for insurance to farmers, is very low. This is mainly due to the lack of access to insurance information with subsidies, frequent changes and relatively recent use of such assistance.

Economic factors such as price changes or a high (about 60% in the EU) share of farmers' income from direct surcharges are a significant factor affecting the consumption of agricultural insurance services.

According to experts of the European Commission, the subsidy policy itself, which introduced a destructive element, in terms of containing the average size of agricultural enterprises, had an ambiguous influence on this. Through the payment system, the state stimulated the grinding of farms: after all, already with the acquisition of one hectare of agricultural land, EU subsidies begin to be sent to the new farm, and subject to the legal separation of the household of a wife or children, as an independent farm, additional subsidies are paid.

The mechanisms for optimizing the structure of land use in modern conditions are, first of all, additional subsidies per hectare with reference to a specific agricultural crop and the establishment of a quota system for sown areas for individual crops. Experts in the agricultural insurance highlight the problem of raising awareness of the need for insurance for farmers and the problem of professional ethics of agents, fearing that the farmer will not use the insurance that he needs and which covers the risks most threatening him, but will use the one that a well-trained agent (taking into account the commission which he will receive).

It is estimated that over 30% of farmers do not meet their insurance obligations. Allocating property insurance, this voluntarily insures about 10% of farmers and fields 2-4% in very limited areas.

The main argument of farmers, in the accusations case of lack of insurance protection, is the too high price and lack of funds for these purposes. In addition, farmers are not guided by the conditions of insurance and are afraid, like consumers of financial services that either the damage will not be compensated, or it will be a symbolic payment. This is explained by the period of the initial development of insurance companies, unfortunately, some of them went bankrupt rather quickly, and property insurance goes beyond the compulsory civil liability insurance of vehicle owners, and therefore, the Insurance Indemnity Guarantee Fund does not apply to this.

It is worth noting that negative natural phenomena have taken place in recent years, in fact every year buildings collapse and agricultural crops perish: fields, gardens and plantations, depriving farmers of income. Often the only hope is government assistance or help from charities or individuals, however, these financial resources do not cover the full cost of the loss.

An important element of insurance coverage is the sum insured.

The value of the sum insured in crop insurance is determined separately for each crop, by the farmer in consultation with the insurance company. A premium is calculated from its size, which is set as a

percentage. For the obligation fulfillment of insurance, it is considered that the insurance coverage covers at least 50% of the area of the fields of the farm.

For failure to fulfill the obligation to insure, the farmer will pay 2 euro fine for each hectare of uninsured fields, within 50% of the total area. The fine payment does not release you from the obligation to acquire insurance coverage.

Of course, not all solutions that are used in the EU's common agricultural policy are currently interesting for our markets. The European solution is very costly and is targeted at a large commercial manufacturer, which receives the bulk of certain funds, as well as significant agricultural firms.

The theory and practice of the EU clearly distinguishes, joint action, government regulation, market forces, clearly defined functions. The market sets itself the task of finding a balance between supply and demand by determining price fluctuations and adjusting the production structure and demand to these price changes, which are a signal system for both the producer and the consumer. But far from all regulator functions can be performed by the market, even in countries with long-rooted traditions of a market economy and psychology, market structures of production and distribution.

State regulation should perform those functions that the market is unable to do or where the constructive forces of the market turn into destructive ones, that is, create a framework and restrictions for the market action forces [6]. State regulation is entrusted with the task of long-term restructuring of agriculture and the agro-industrial complex, which the market in many cases cannot do, based only on the current situation.

The state task, to a large extent, is to create a favorable macroeconomic environment, with a corresponding budgetary redistribution of funds to agriculture, as a subsidized industry by its nature. At the same time, it is the state that is responsible for the social development of rural areas, the infrastructure creation for the population, the stimulation of scientific and technological progress and the implementation of a balanced environmental policy.

According to the American model of agricultural insurance, state support compensates for 60% of total insurance premiums (about \$ 6 billion).

The main insurance products with government support are:

- Protection against catastrophic risks, almost mandatory insurance with minimal cost;
- Crop insurance against weather risks - in this product, the state finances the insurer's administrative costs and part of the insurance premium.

In addition to these general programs, the US Federal Crop Insurance Corporation provides combined crop insurance, implementing 7 basic programs.

1. Combined crop insurance. This is the most common insurance program. It provides income guarantees for three levels of coverage - for 50, 65, 75% of the average farm income in previous years, provides protection against damage due to almost all natural events and covers losses from insects and diseases.

2. Catastrophic policies - compensation for damages in the amount of 50% of income, 55% of the selling price established for a given crop. This coverage is virtually free farmers pay a nominal processing fee for each crop policy, reimbursing the cost of running insurance. Catastrophic insurance product provides a minimum level of economic recovery in the event of a natural disaster.

3. Insurance of future income. Implemented since 1996, with the aim of providing sustainable income and covers the loss of profits due to the crops destruction or falling prices; establishes a profitability guarantee even before sowing and planting.

4. Profit protection, used since 1995. This insurance product is designed to insure agricultural production against the risk of lower than average income and a fall in crop prices through the provision of a fixed guarantee per unit of area. If after harvesting its actual volume multiplied by its actual value is less than the amount of the guarantee, the insurer pays the difference.

5. Sustainable income insurance introduced in the United States since 1997. It provides protection for certain crops (corn, soybeans) from lower income due to falling prices or lower yields. This insurance product is based on local average prices.

6. Insurance program - regional risk. The insurance indemnity is paid to the agricultural producer in the event that the average yield in a given area falls below a certain yield level that has been chosen by the insured. The main feature of this program is the lack of an assessment of crop losses at the level of an individual insured. The average yield is estimated for the entire region. To this end, the USDA selects representative farms.

7. Protection of profits from a group of risks and changes in the cost of products.

This insurance product was launched in 1999 and is a form of income insurance for the whole region. The insurance indemnity is paid to the farmer, provided that the income in the region per unit of area of the insured crop is lower than the agreed income, which is determined by the producer.

Such a product is inexpensive, provides income insurance coverage with a minimum amount of expert work and documents.

According to these insurance products, the following types of financial state support are used in the United States:

- Subsidies paid to private insurers to cover administrative and operating costs;
- Government acceptance of agricultural risks for reinsurance;
- Funding research in the field of crop insurance;
- The government's disaster prevention program provided that farmers buy at least 50% of the combined crop insurance coverage [15].

In 2019, the WTO Committee on Agriculture held four meetings, within the framework of which, among other things, notifications of support for agriculture of the member states of the Eurasian Economic Union - WTO members were considered.

During the events, the meeting participants asked questions to clarify the mechanisms for subsidizing agriculture.

Table-1 : Issues discussed at the meetings of the WTO Committee on Agriculture with the participation of the EAEU member states [14].

Respondent	Topic of the question	The initiator of the question	Affiliated Parties
The Russian Federation	Grain transportation subsidization (Decree 1595)	European Union	Australia, Canada, Ukraine, the USA
Mongolia	Import quotas for agricultural products (including flour and milk)	The Russian Federation	-
India	Import duties on legumes	Canada	Canada, the Russian Federation, Ukraine, European Union
Turkey	Quantitative indicators of wheat imports and flour exports	The Russian Federation	-
The Russian Federation	Changes in the rate of excise taxes on wine and an increase in the volume of subsidies for wine production	European Union	-
The Russian Federation	Support for agricultural machinery manufacturers	Ukraine	-
The Russian Federation	Market price support for wheat, rice and barley	THE USA	-

The analysis of participation in the issues discussed during the meetings of the WTO Committee on Agriculture showed that among the EAEU member states, only the Russian Federation takes part in the consideration of agricultural regulation measures, acting more as a respondent on a number of issues in the field of state regulation of agriculture.

Number of questions asked by third countries to the EAEU member states (Russia)	9
Number of questions asked by the EAEU member states (Russia)	7

Fig.1. Number of questions with the participation of the EAEU member states within the WTO Committee on Agriculture in 2019.

It is noteworthy that every question addressed to the Russian Federation is supported by a number of other developed or developing countries. Taking into account the economic nature of integration within the Union, it seems expedient to preliminary expert study of the agenda of the WTO Committee on Agriculture (for example, within the framework of the meetings of the working group on "State support for agriculture") in order to ensure more effective protection of the economic interests of the member states.

Consequently, the programs of state financial support for specific insurance products provide for the protection of farmers' crops and future incomes, as the basis for the sustainable development of the region and the industry.

In the multilateral trading system, the Republic of Uzbekistan acts exclusively as an observer state in the WTO. Despite the fact that the working group on Uzbekistan's accession to the WTO was established in December 1994, there was no progress in Uzbekistan's work on accession to the WTO until 2019. In this regard, the state is not burdened with obligations on the level of financing for agriculture.

To support agriculture in Uzbekistan, state programs are being implemented in the following areas:

Program for further modernization, technical and technological re-equipment of agricultural production for 2015-2018. According to the Program, commercial banks provide loans and leasing services for its implementation at an interest rate that does not exceed the refinancing rate of the Central Bank of the Republic of Uzbekistan. The following areas of lending are subject to subsidies:

- Purchase of agricultural machinery of domestic production by farms, machine and tractor fleets, territorial branches of "Uzpakhtasanoat" JSC and "Uzdonmahsulot" State Joint Stock Company, as well as the implementation of investment projects for the reconstruction and technological modernization of service network facilities by purchasing the necessary equipment, equipment and tools;
- Replenishment of the working capital of manufacturers of agricultural and reclamation equipment, their dealer and service structures, as well as leasing companies that provide services to agricultural producers for the leasing of domestically produced equipment.

A program of measures to further improve the supply of highly qualified personnel with higher education to the agricultural and water sectors for the period 2016-2020. This program provides for: meeting the needs of the agricultural and water management sectors for highly qualified personnel with higher education of the required profile and level of education, improving work to assist in the employment of graduates in accordance with their specialty; improving the quality of personnel training; assistance in strengthening cooperation of higher educational institutions in agriculture and water management with leading foreign higher educational and scientific institutions; ensuring the continuity and continuity of secondary specialized, vocational and higher education in agriculture and water management; further development of the material and technical base of higher educational institutions in agriculture and water management.

As part of the implementation of the Program, since April 2016, regional centers have been organized for retraining and advanced training of managers and specialists of farms in the state unitary enterprises.

State program to improve the reclamation state of irrigated lands and rational use of water resources for the period 2015-2018. Within its framework, projects are being implemented for the construction, reconstruction, repair and restoration of amelioration and irrigation facilities, the irrigation network, as well as

the improvement of water management systems, the drip irrigation system and other water-saving technologies are gradually being introduced.

Program for further reform and development of agriculture for the period 2015-2020. The Program provided for: reducing the area of cotton and grain crops by 221 thousand hectares and placing other crops on the released lands, including potatoes - on 36 thousand hectares, vegetables - on 91 thousand hectares, intensive orchards - on 18 thousand hectares, fodder crops - on 50 thousand hectares, oil crops - on 14 thousand hectares; an increase in the number of breeding farms for raising cattle by three times by 2020; an increase in the number of birds by 1.5 times by 2020 compared to 2015, small ruminants - by 20%, cattle - by 27%; construction of new modern chambers for storing fruit and vegetable products in the amount of 325 thousand tons; creation of logistics centers for the processing, storage and transportation of 17 fruit and vegetable products.

Action strategy for five priority areas of development of the Republic of Uzbekistan in 2017-2021». The strategy includes measures for the modernization and intensive development of agriculture, such as the optimization of the use of agricultural land, the development of intensive orchards and vineyards; improvement of the reclamation state of irrigated lands, development of irrigation and reclamation facilities; providing practical assistance in the production of lightweight constructional greenhouses, in the development of small poultry farms, beekeeping farms using alternative energy sources on farms and farmer's farms; fishery development; increased feed production; improvement of veterinary services and others.

The peculiarity of Uzbekistan's agriculture is that there are two agricultural crops, the production of which is carried out mainly for state needs - **cotton and wheat**. The state, establishing a mandatory state order for these crops for farmers, simultaneously provides producers with production resources (fuels and lubricants, fertilizers, seeds, plant protection products, irrigation water), and also applies mechanisms of direct subsidies, including in the form of debt restructuring of agricultural enterprises, advance payments for production.

A significant role in this mechanism belongs to the Fund for targeted financing of public procurement of agricultural products and equipment for agriculture, created by the Presidential Decree of Uzbekistan on June 27, 2017 № PD-5095.

Among the main tasks of the Fund are timely financing of settlements for the grown cotton and grain harvest for public procurement, studying the experience of other states in financing the agricultural sector with the aim of further introducing positive results in the republic.

Each farm, regardless of its financial condition, can receive an advance payment for growing cotton and wheat under the state order, with the subsequent transfer of the resulting harvest to procurement organizations.

Farmers who fulfill their obligations under the government order for the purchase of cotton and grain can receive a portion of the resources at government subsidized prices. The amount of resources that can be purchased at lower prices is limited and is determined by the projected volume of government procurement, which in turn depends on the sown area of cotton and wheat and their expected yield, in accordance with technological maps.

Farmers do not pay in cash for resources to grow products for state needs. They purchase the materials they need on credit using the Fund's advance payments. The future harvest is used as collateral for the loan repayment.

The fund is also engaged in the allocation of loans to stimulate the supply on preferential leasing terms of modern high-performance agricultural machinery to farms and other agricultural organizations involved in the cultivation of agricultural products for public procurement.

The fund is financed from budgetary funds, as well as concessional loans from the Central Bank, grants from international financial institutions and organizations, and other sources.

Conclusions

1. Crop and field insurance with government financial support is one of the new financial instruments. It protects farmers from the negative consequences of accidental events, especially natural disasters. Such insurance, functioning on a voluntary basis in the EU, has not been extended to farmers. After all, farmers often receive help from the state after natural disasters. The current stage of development of the EU Common Agricultural Policy is aimed at stimulating and encouraging not only by direct methods, but also through the use of financial instruments by farms for their own risk management and insurance.

2. In modern realities, it is difficult to predict the consequences of the introduction of new insurance requirements in agriculture, in particular, from the standpoint of the coverage of agreements and the amount of compensation paid. It is necessary for this financial instrument to function for years in order to assess the new system impartially from the point of view of farmers and insurers.

3. The advantages of the EU Joint Agrarian Policy are the complexity of the internal strategy, foreign trade, and programmatic approach to the implementation of the objectives of the strategy. The common agricultural policy of the EU is based on the awareness of the need for financial support for agriculture, because it is not able to carry out the reproduction process in the conditions of an open and unprotected market and natural risks of non-financial state support.

4. The US model aims at consistency in the profitability of agriculture and each hectare of arable land.

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ANALYSIS OF LABOR RESOURCES AS DETERMINANTS OF THE INNOVATIVE ECONOMY OF UZBEKISTAN

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ABSTRACT

The article deals with study of labor resources as determinants of the innovative economy of Uzbekistan. Contradictions in the sphere of labor and employment arise from the imperfection of the economic mechanism and the system of labor management in General. In this regard, there is a need for effective use of human resources, an important component of which is the management mechanism. The solution of complex tasks related to the management of labor resources correlates with the development of new theoretical and methodological approaches to building a system of economic management; the creation of appropriate economic and mathematical models, management and optimization methods.

Keywords : Labor resources, economic determinant, economy, modeling, digitalization, entrepreneurial structures, qualification, innovative methods, economic relations.

Introduction

The rapid transformation of digital technologies, economic and social conditions sharply raises the question of revising important aspects of human capital management. It is not only about increasing requirements for company employees in connection with the introduction of high-tech products, but also about changing the human resource management model in response to new business requests. The impact of technological progress on human resource management became an object of economic research long before digitalization.

In modern conditions, ensuring the effective operation of entrepreneurial structures requires the availability of labor resources with a high level of qualifications. The level of qualifications and requirements for labor resources are determined and evaluated based on the goals set. In this regard, the need and importance of the development and application of innovative methods of labor resources management increases.

In the scientific economic literature today, there are various concepts of the transformation of labor in the process of changing social and economic relations into labor resources. The regional aspect is becoming important, since the direction of the transition to an innovative socially-oriented type of economic development shows that one of the main ones is strengthening the strategic management of regional development, increasing the complexity and balance of regional development and the spread of productive forces.

The category "labor potential" should be viewed as an extension of the concepts of "human resources" and "labor". "Labor resources" contains both existing and hidden resources, and "human resources" contain only unused reserves [1]. Labor potential can be characterized by the quantitative component of general and professional knowledge and labor skills of people who work in a certain sector of the economy in conditions

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of certain interacting structures. A characteristic feature of the "labor force" is that it has the properties of potential, but it has impersonality. From an economic point of view, important problems for labor resources are the tasks of their more complete involvement in the production process, and, accordingly, the growth of employment.

Labor resources are associated with life in a particular area. Modeling changes in all components of labor resources is possible when taking into account the following components: the level of social development, morality and motivation, depending on the abilities, health, legal and moral values of people. Consequently, the socio-psychological potential of labor resources is determined by the system of motivational and value orientations, the level of social maturity, the system of moral and cultural interests, personality type, attitude to work, type of nervous system, creativity, competitiveness, interest in work, the ability for self-development and self-education, mobility, moral qualities. This approach to the definition of labor resources is characterized by the following features of the system: the physical side of the working-age population includes the degree of participation in social production of various groups. In addition to physical characteristics, other indicators are used, such as economic activity, life expectancy, number of hours worked, working age, average age of those employed in public production; the intellectual side is determined by the level of general and professional education, work experience.

Methods

The professional and qualification component of labor resources occupies a special place. Structuring all the components of labor resources into professional and qualification is the main criterion for the structure of labor resources: labor force, on the one hand, and the structure of activity, on the other. Given the structure of professional qualifications, it is necessary to balance the needs with the profile of training in the education system; the social side is determined by working conditions, social status, psychological type of personality, the nature of its motivation to work, family composition, material and housing provision, level of consumption of material goods and services, way of life. The level of vocational education, as a rule, shows the capabilities of labor resources to perform certain jobs, which are largely determined by labor productivity.

The modern practice of functioning, development and reproduction of labor resources of the sectors of the economy requires constant improvement of methods and criteria for their assessment. Basic principles for the development of labor potential, such as: integrity, quality, priority, flexibility, independence, differentiation, efficiency. We will give detailed definitions of the above principles. Integrity is deepening the integration of economic mechanisms and human relations, democratization and organization of work. Quality is the growing role of science based on the management of human life processes, the use of advanced experience, providing conditions for timely training, and maintaining the continuity of personnel. Priority provides for the priority of training and qualification of specialists in basic specialties in parallel with the development of new specialties. Flexibility means changing the rights and responsibilities of managers and HR departments in dealing with HR issues. Independence implies the relative independence of managers in dealing with personnel issues.

Differentiation is the use of various methods for analyzing the personnel situation, taking into account the specifics of the labor potential of enterprises, improving the diversity of forms of professional career development. Efficiency - providing conditions for expanded reproduction of personnel, optimal functioning of the professional and qualification structure of high productivity. The maximum efficiency of the formation of the labor potential of agriculture is achieved due to the regular use of these principles. The quantitative

indicators, the number of people employed in industry, the sex and age structure, and the working time fund are influenced by extensive factors.

In modern conditions, professional factors of employee qualifications are of particular importance. A skilled worker has more knowledge and information than a simple worker, has better professional skills and is distinguished by a creative attitude to work. In this regard, today, raising the qualifications of workers is a necessary condition for competitiveness, and it is especially important to assess the place and role of the components of professional and qualification factors - training and advanced training of personnel. In this regard, it should be noted the role of demographic factors affecting the quality of labor resources, for which the main determinants are gender and age. The age of a person affects the change in labor potential in the socio-economic system: first, by gradually increasing the labor potential, where various social characteristics reach a maximum in adulthood, and then begin to decrease due to a decrease in the physical capabilities of the body.

The methodological task of developing certain principles for managing the formation and distribution of the labor potential of the region within the framework of the socio-economic policy should be as follows: the system of indicators of the labor potential of the region should be as compact as possible, reflect only the characteristics of the primary characteristics, but at the same time have enough information to be informative to ensure effective decision-making at the regional level; the indicators included in the system should fully characterize the scope of activity, in particular, if it is a region, then these can be separate sectors of the economy; a unified system of weighting coefficients of individual indicators of the labor potential of the region and the blocks as a whole is needed, ensuring the unity of calculations and the possibility of comparing data; the system should be based on datasets provided by regional statistical offices. The principle of science in labor potential management is to use a mathematical apparatus to describe the objective laws of labor potential development, the use of methods of economic and mathematical modeling and modern information technologies.

Result and discussion

The principle of consistency is to consider labor potential as a complex socio-economic system. The definition of methods for managing the development and formation of labor potential is carried out in conjunction with the dynamics of its constituent subsystems. The principle of purposefulness is being implemented already in the process of forming strategic goals and directions for the formation and development of the region's labor potential. The set of goals for the formation and development of the labor potential of the region has a complex structure and is aimed at achieving the main goal by solving a variety of specific tasks. The solution to the problem of optimizing labor potential: achieving maximum use of labor potential at minimum cost is carried out according to the principle of efficiency.

The implementation of this principle contributes to the establishment of universal employment of the population, an increase in the total income of the population of the entire region. The principle of harmonization is to ensure the adoption of coordinated decisions at all levels of government in the region. It should be noted that all decisions made at all levels must comply with the general strategy for the development of the labor potential of the region. The regulatory role of the state in this matter is insufficient, since the development and formation of labor potential is a continuous and complex process. Coordination is necessary at all levels of government in the region, which will eliminate competition and lead to strong business ties between all participants. Labor resources as a complex dynamically developing social and economic system are characterized by a stable and unstable state. A stable state of labor potential is

characteristic of the equilibrium state of the socio-economic development of the region. As soon as the labor potential becomes unfulfilled, the ability for self-development decreases, qualification skills are lost, personal qualities are destroyed, as a result of which the efficiency of functioning decreases.

Thus, a characteristic feature of labor potential is its ability to change depending on the needs of the region. In the process of forming labor potential, an important role is played by the principle of adaptability, which consists in taking into account changes in both external and internal conditions for the existence of labor potential. At the same time, it becomes important to prepare in advance for changing the conditions for the formation and implementation of labor potential. The principle of variance and balance is a logical continuation of the principle of adaptability. Analysis and forecasting of the future situation on the labor market entails the possibility of considering various options for the formation and development of labor potential. The balance of labor potential will ensure the stability of its state, the balance of quantitative and qualitative parameters.

In addition to the general principles listed above, the process of forming and implementing labor potential should be based on private ones. Private principles serve to solve particular problems, characterize the characteristics of a particular industry, enterprise or person, and reflect the specifics of the region. Such principles are formed from the characteristics of tendencies and factors of labor, including the complexity of labor, physical and mental costs, especially the material and technical condition. One of the main private principles is the study of the specific content of labor. Determining the efficiency of labor resources is a complex methodological and organizational task. The development of a specific methodology will depend on the objectives of the study, assessment, characterization of the category of workers and other factors.

The problem of determining the parameters in order to manage the efficiency of labor potential becomes relevant for the practice of managing the region. The efficiency of labor potential, taking into account income D , the final product K and production assets F , is defined as $E = D / (K + EF) = P + Z (K + EF)$, (1)

Where P is the profit received when creating a product, thousand sums; E - efficiency standard; Z - salary for product creation, thousand sums. [4].

To manage the efficiency of labor potential, we will consider labor potential as a socio-economic system S . Using the methods of a systematic approach, we will investigate the system S . Based on the data obtained, we will construct a model M taking into account all factors and capabilities of the system. Based on the initial data D , which are known from the analysis of the external system, the limitations, the possibilities of its implementation, and on the basis of the purpose of functioning, the initial requirements T_k of the model of the system S are formulated. On the basis of these requirements, approximately some subsystems P , elements E are formed and the most complex stage of synthesis - selection of B components of the system, for which special selection criteria are used for KV [5].

To study labor potential, one can single out its most important characteristics and properties of a modeled object, explore its structure and the relationship of its elements. The structure of the labor potential of the region can be represented according to various signs and categories, for example, according to socio-economic development, according to demographic factors, according to professional characteristics, etc. In accordance with the structural scheme of labor potential, based on the study of the S system, we distinguish the following subsystems: psychophysiological potential, professional and qualification potential, creative potential, career potential, innovation potential.

The following definition of each of the components of the potential of labor resources is proposed [6]: professional and qualification potential presupposes a set of professional skills, abilities of an employee; psychophysiological potential includes the state of health of workers, their abilities and inclinations, the level of performance, endurance, attitudes and moral guidelines, which directly determine the possibility of a person's participation in the production process, the effectiveness of his participation in production activities and social life; creative potential is the creative abilities of an individual, expressed in the ability to set goals, find ways to achieve them, the result of which will be a fundamentally new solution to the task; the innovative potential of labor resources characterizes the degree of readiness to use innovative technologies, develop and implement innovative solutions aimed at increasing the efficiency of the organization; career potential is a set of characteristics of psychophysiological, intellectual, professional qualification, innovative potentials of an individual, it allows one to determine the career goals of an individual and assess the likelihood of achieving the set goals.

In work [7] the following principles of the study of regional labor potential are distinguished: a detailed description of the conditions for the formation of labor potential; assessment of the amount of labor potential; assessment of the quality of labor potential; determination of the integral indicator; the breadth of the information used; universality, availability and comparability of data used in the calculation.

The process of constructing a mathematical model of labor potential can be conditionally divided into six stages: the formulation of an economic problem, its qualitative analysis; building a mathematical model; mathematical analysis of the model; preparation of initial information; model calculations; analysis of the results obtained and their application. Organization of effective labor potential management is impossible without timely and complete information about the state of labor potential. In addition, reliable information is also needed on the socio-economic processes taking place in various industries and spheres of life in a particular region.

Based on the data obtained, a comprehensive quantitative assessment of the state of both the region and the labor potential is made. The result of the assessment can be the formation of a model for managing the effectiveness of labor potential, aimed at weakening negative trends and strengthening positive ones in the economy. One of the main components of such a model is the information base. The information base should reflect as fully as possible all processes and phenomena occurring in the region, and take into account all their subjective and objective assessments.

To assess the effectiveness of labor potential efficiency management, a system of classification of indicators by components of labor potential is being developed, which consists in the following: assessing the results of the socio-economic policy of developing the labor potential of the region (indicators of the final effect); assessing the quality of making and implementing managerial and other decisions in the development of the labor potential of the region (indicators of the immediate result); assessment of the legal, organizational and documentary support for the execution of decisions in the framework of the socio-economic policy of developing the labor potential of the region (process indicators).

Thus, managing the efficiency of labor potential is a complex task, the solution of which is based on the methods of mathematical analysis, systems theory and systems analysis, mathematical modeling, probability theory and mathematical statistics. Since the assessment of labor potential is a difficult methodological and organizational task, and today there is no single universal methodology for solving the entire complex of problems, therefore the development of a specific methodology will depend on the objectives of the study, assessment, characterized by the category of workers and other factors.

In work [7] the following principles of the study of regional labor potential are distinguished: a detailed description of the conditions for the formation of labor potential; assessment of the amount of labor potential; assessment of the quality of labor potential; determination of the integral indicator; the breadth of the information used; universality, availability and comparability of data used in the calculation. In [8], the author proposes multi-criteria optimization (or the theory of group choice) for the development of an integral assessment of labor potential. There are many features (parameters) that characterize the subsystems of labor potential. Each feature is set by a particular criterion that allows you to evaluate the selected characteristics.

Summarizing the various approaches that are used in assessing various subsystems of labor potential, three main directions in their development can be distinguished: demographic, economic and energy. There are many opinions about the structure of labor potential, which entails a significant number of methods for its assessment. In [9], two main groups are distinguished for assessing the qualities of labor potential: assessing the quality of labor potential based on official statistics and on the basis of monitoring. The disadvantages of the first include obtaining information with a lag, difficulties in analyzing the labor potential of the population in the context of socio-demographic groups, identifying causes and factors. The labor potential of the region is monitored by questioning the working-age population.

Along with the advantages, such as the efficiency of collecting information and the possibility of legalized analysis of the database, it requires a complex preliminary preparation of questionnaires and technical specifications, the organization of a survey and the formation of a database. Gizatullin Kh.N. [4] indicates that within the framework of the study of the economic category of labor potential, it is necessary to supplement the methods of its assessment with social costs for the formation of the labor qualifications of the future employee. In connection with the weak development of theoretical, methodological and methodological issues of quantitative measurement of labor potential, it is necessary to supplement its assessment with social costs for the formation of the labor qualifications of the future employee. Taking this component into account is possible when supplementing the assessment system with education costs, i.e., these are costs aimed at improving the quality of labor potential.

It is necessary to take into account the qualification costs, including the state expenses for the retraining of an employee who is released as a result of the need to master new professions. In [1] the following components of the worker's labor potential are distinguished: psychophysiological level, which supports the existence of the worker as a biopsychosocial type; value-oriented components that determine the tactics and strategy of the employee's labor behavior; normative-role components that provide professional and general culture of a person in society; adaptation components responsible for the employee's involvement in the environment, the employee's acceptance of the environment and its transformations; status components that perform the function of achieving the goals of the individual in the social system.

The work [10] proposes, which has become traditional, a method of assessing the labor potential of the population using the method of "moving by age". This methodology sums up the number of men and women of working age for a certain period, taking into account the share of disabled people with disabilities for the same period. In [11], a revised traditional methodology for assessing the labor potential of the population is presented, containing decreasing coefficients reflecting the relationship between the health status of those employed in the economy and the amount of working time they worked, between their level of education and the level of labor productivity, as well as including the share of the migration balance. The author [11] proposed a methodology for assessing labor potential, which takes into account the main trends in changes

in migration, health status and the level of educational attainment. By introducing decreasing and increasing coefficients reflecting the relationship between migration, health status, educational attainment and labor productivity, the authors correct the data obtained as a result of the calculations.

To assess the labor potential of a large machine-building enterprise, the following group of factors is defined in [12]: educational (level of education, cognitive abilities); professional qualification (professional skills and experience); behavioral (patterns of behavior, professional culture); innovative and creative (creativity, adaptability, striving for development, innovation); value-motivational (goals, needs, motivation, values); psychophysiological (age, health status, abilities). To calculate a complex indicator of the quality of labor potential, the following formula is proposed:

$$\sum_{f=1}^I p_f * \sum_{i=0}^n (K_i * J_{ij}), \quad (1)$$

where J_j is a complex indicator of the labor potential of the j -th enterprise (department); n is the number of indicators of labor potential taken into account;

J_{ij} - i -private index indicator of the labor potential of the j -th enterprise (branch); K_i - the significance of the i -th indicator for achieving a corporate goal, in unit fractions:

$$\sum_{j=1}^I K_i = 1, \quad J_{ij} = \frac{m_{ij}}{m_{imax}}, \quad (2)$$

I - the number of compared objects (plants); m_{ij} is the value of the i -th indicator of the j -th enterprise; p_f is the significance of the f -factor of the quality of labor potential.

Thus, the problem of determining the parameters of labor potential in order to adequately assess it [12] becomes relevant for the practice of managing the region. Currently, there is no generalized indicator for assessing labor potential, reflecting the totality of heterogeneous quantitative and qualitative factors of labor, theoretical and methodological issues and methodological approaches to assessing labor potential have not been sufficiently developed [13].

In the process of production management, the tasks of appointing performers for various types of work often arise, for example: recruiting and appointing candidates for vacant positions, distributing sources of capital investment between various projects of scientific and technical development, distributing work between mechanisms, distributing goals between firepower to maximize mathematical expectations of the number of targets hit or average damage, etc. Since each employee will perform any work, albeit with varying degrees of skill, the employee is assigned exactly the qualifications that are necessary for its performance. The cost of performing the work in this case will be lower than when an employee of unsuitable qualifications is appointed to this job. Thus, the problem of assignments arises, which is formulated as follows: it is required to distribute the work among the employees in such a way that the total cost of performing all the work is minimal, and the economic effect is maximal [14].

Conclusion

Consider a mathematical model representing the assignment problem, which, using statistical data on the labor resources of the Stavropol Territory and the economic indicators of these resources, will allow the best distribution of work among such performers. When solving it, we will find the optimal appointment from the condition of minimum (maximum) economic indicators of labor resources. We will use the most effective Hungarian solution method [4].

Let us introduce the notation: c_{ij} is an indicator of the effectiveness of the appointment of the i -th employee at the j -th job, for example, the salary of the i -th employee in the j -th industry; x_{ij} is a model variable ($x_{ij} = 1$ if the i -th employee is used at the j -th job, and $x_{ij} = 0$ otherwise).

The assignment problem model will look like this:

$$\sum_{j=1}^m \sum_{i=1}^m c_{ij} x_{ij} \rightarrow \min, \quad (3)$$

$$\sum_{i=1}^m x_{ij} = 1, i = 1, \dots, m, \quad (4a)$$

$$\sum_{j=1}^m x_{ij} = 1, j = 1, \dots, m, \quad (4b)$$

$$x_{ij} \geq 0, i = 1, \dots, m, j = 1, \dots, m, \quad (5)$$

Where (3) is the objective function (minimum costs for the performance of all work);

(4) - a system of restrictions, reflecting the conditions that a) each work must be performed by one employee; b) each employee can be involved in one job; (5) - conditions for the non-negativity of variables [14].

Let's compose a table of the assignment problem, in which the initial information is the performance indicators of assignments with c_{ij} . For an assignment problem written in standard form, the number of rows in the table is the same as the number of columns. The result of solving the assignment problem (3) - (5) is the vector $\{x_{ij}\}$ whose components are integers. The optimal plan of the assignment problem (3) - (5) is represented in the form of a square matrix of assignments, in each row and in each column of which there is exactly one unit. The value of the objective function (3) corresponding to the optimal plan will be the effectiveness of the assignments.

If the number of workers is not equal to the number of jobs, then the problem of assignments arises in an open form. To solve the problem in these cases, additional fictitious work is introduced, and the problem is transformed into a problem formulated in a standard form. Note that the optimal value of the objective function of the original problem coincides with the optimal value of the problem reduced to the standard form. Therefore, the effectiveness of prescriptions as a result of such a transformation does not change [14]. Highlighting the main industries, defining performance indicators, for example, such statistical data as the distribution of the number of employees by occupational groups, the structure of the distribution of the employed population by sectors of the economy by types of economic activity, actual hours worked at workplaces, organizational costs per employee, etc. it is possible to draw up an optimal plan for the distribution of the region's labor resources by branches of its economy. In the future, this process can be automated by developing a special program package.

The organization of effective management of the labor potential of the region is impossible without timely and complete information about the state of labor potential. On the basis of the data obtained, it is possible to make a comprehensive quantitative assessment of the state of both the region and the labor potential. The result of the assessment can be the formation of a labor management model aimed at weakening negative trends and strengthening positive ones. Thus, we can conclude that the labor market at present, with the development and improvement of production, makes more and more demands on the level of qualifications of all personnel, primarily the basic professions. Assessing the labor potential from the point of view of the needs of high-tech production, special attention should be paid not so much to its quantitative

indicators as to the level of professional education of workers, and staffing requires new forms and various fields of activity in the economy of the Republic of Uzbekistan.

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MECHANISMS FOR BUILDING A MANAGEMENT SYSTEM FOR SPORTS ORGANIZATIONS

Nargiz Tukhtasinovna Matkarimova¹

ABSTRACT

This article is devoted to the construction of mechanisms for the management system of sports organizations, which are based on the management system, which should represent the following value chain: the formation of the resource base, the process of creating a product, the process of using the product; and also contain key blocks: resources, risks, business processes, value assessment indicators. The combination of the principles of the theories of effectuation and self-organization also made it possible to develop an organizational and managerial mechanism, the implementation of which contributes to an increase in the competitiveness of sports organizations. Only a systematic consideration of these processes will allow a sports organization to obtain the necessary competitive advantages and form a unique consumer value.

Keywords: *control mechanism, control system, theory of effect, self-organization, and resource base of a sports organization, organizational and managerial mechanism.*

INTRODUCTION

The most basic task and the main indicator of the effectiveness of the implementation of their activities are directly high sports results. An athlete is a kind of “product” that turns into profit under certain business processes. A sports organization is considered successful if it is both effective and efficient in its activities. In fact, this is a rather difficult management task. Therefore, it is necessary to pay great attention to the mechanisms of building a management system of a sports organization, which functions on the basis of key business processes. Key business processes involve making the athlete a primary source of value.

Since a variety of forms of ownership of sports organizations prevails on the territory of our republic, it becomes necessary to develop combined management mechanisms associated with the implementation of social and economic functions. For commercial sports organizations (organizations in the sports industry involved in the production of sports uniforms, inventory, and equipment), the laws and processes that are typical for all business structures are applicable. For sports organizations of a non-profit type, management mechanisms should combine social and economic components. If we talk about commercial sports organizations (manufacturers of sports goods, equipment, inventory), then the laws and processes that are typical for all business structures are acceptable to them. For sports organizations of a non-profit type, management mechanisms should combine social and economic components.

THE MAIN FINDINGS AND RESULTS

According to R. Kaplan and D. Norton, in order to create a rating system that could describe your strategy, you need to have a general model of this strategy. Karl von Clausewitz, the great German strategist of the 19th century, stressed the particular importance of such a model for understanding strategy.

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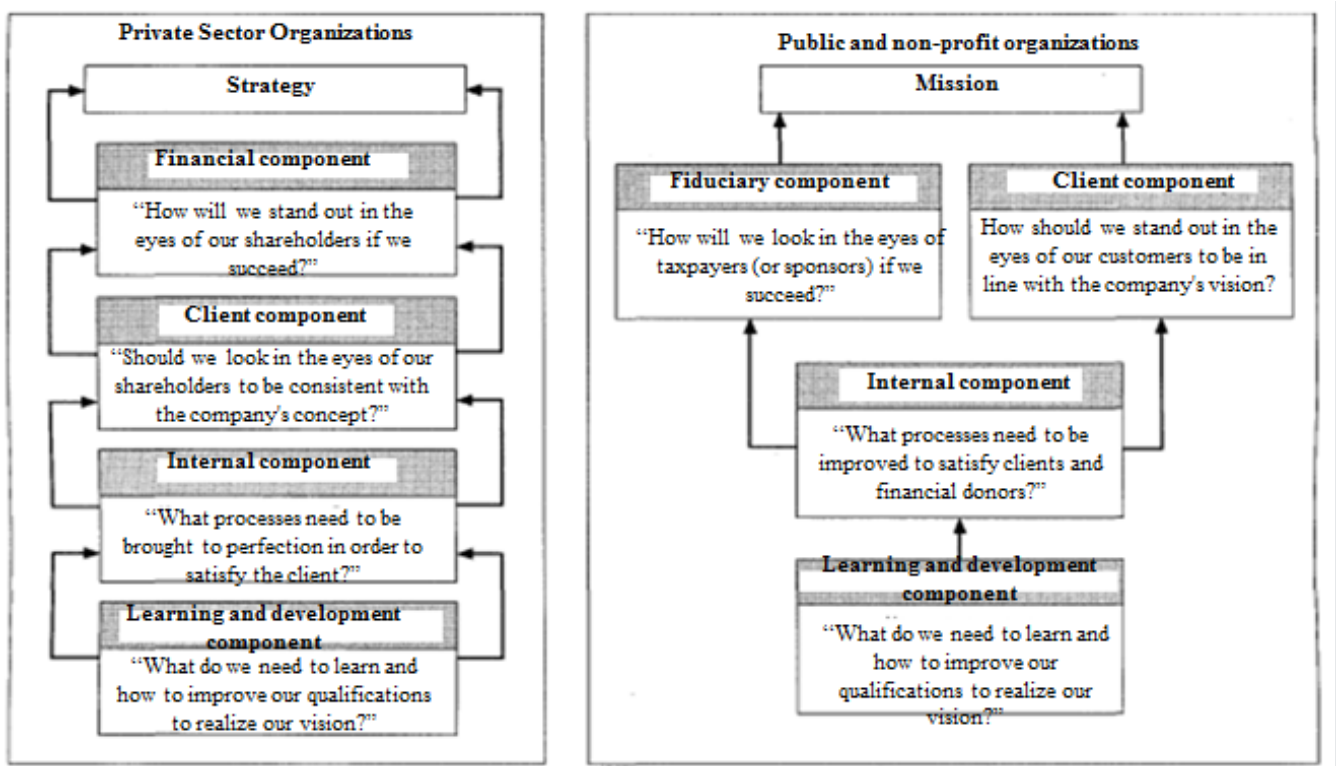
The Balanced Scorecard offers just such a structure for describing value creation strategies. The structure of the BSC (Figure 14) consists of several important elements.

Financial performance, a lagging indicator, is the main indicator of an organization's success. The strategy describes how the company is going to deliver sustainable growth in shareholder value.

Successful cooperation with the target client is the main component of improving financial results. In addition to assessing lagging indicators such as customer satisfaction, retention and expansion of the customer base, the customer component determines the value proposition for the target market segment, and this is the central element of the strategy.

Internal business processes create and deliver a value proposition to the customer. The result of internal processes is a leading indicator of future improvements in the parameters of the client and financial components.

Figure 1 A Simple Value Creation Model for Community and Non-Profit Organizations [1, p. 512]

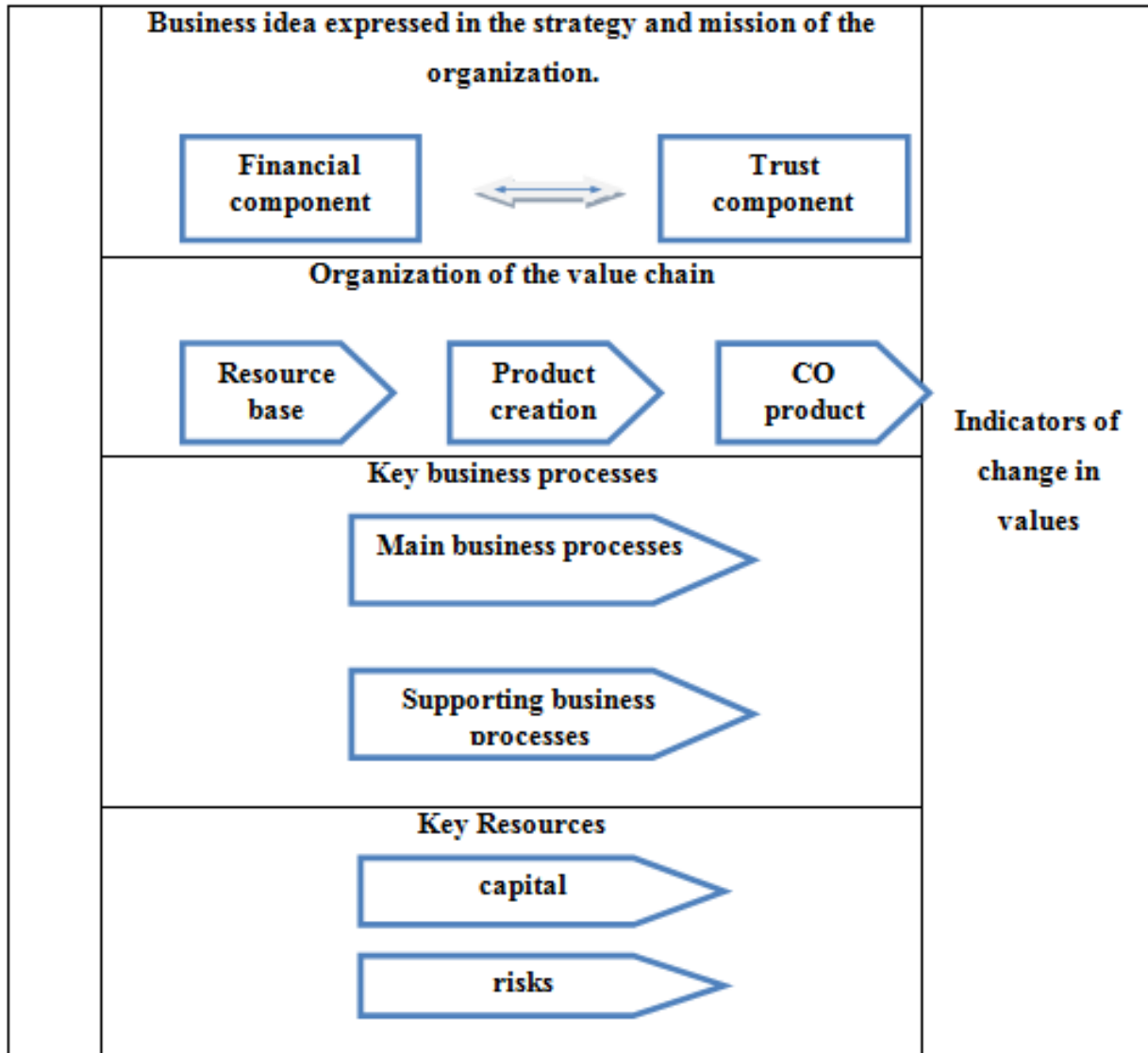


Research methodology: During the research, the theoretical and methodological foundations of the research were used, compiled on the basis of the conclusions and proposals of scientists in the field of mechanisms for building a management system of sports organizations, in particular Russian scientists. Methods of terminological analysis, statistical analysis and comparative analysis were also used.

Analysis and results: A sports organization, as mentioned above, by its socio-economic nature today implements a dualistic model of value creation, which combines financial and trust - components of strategic development.

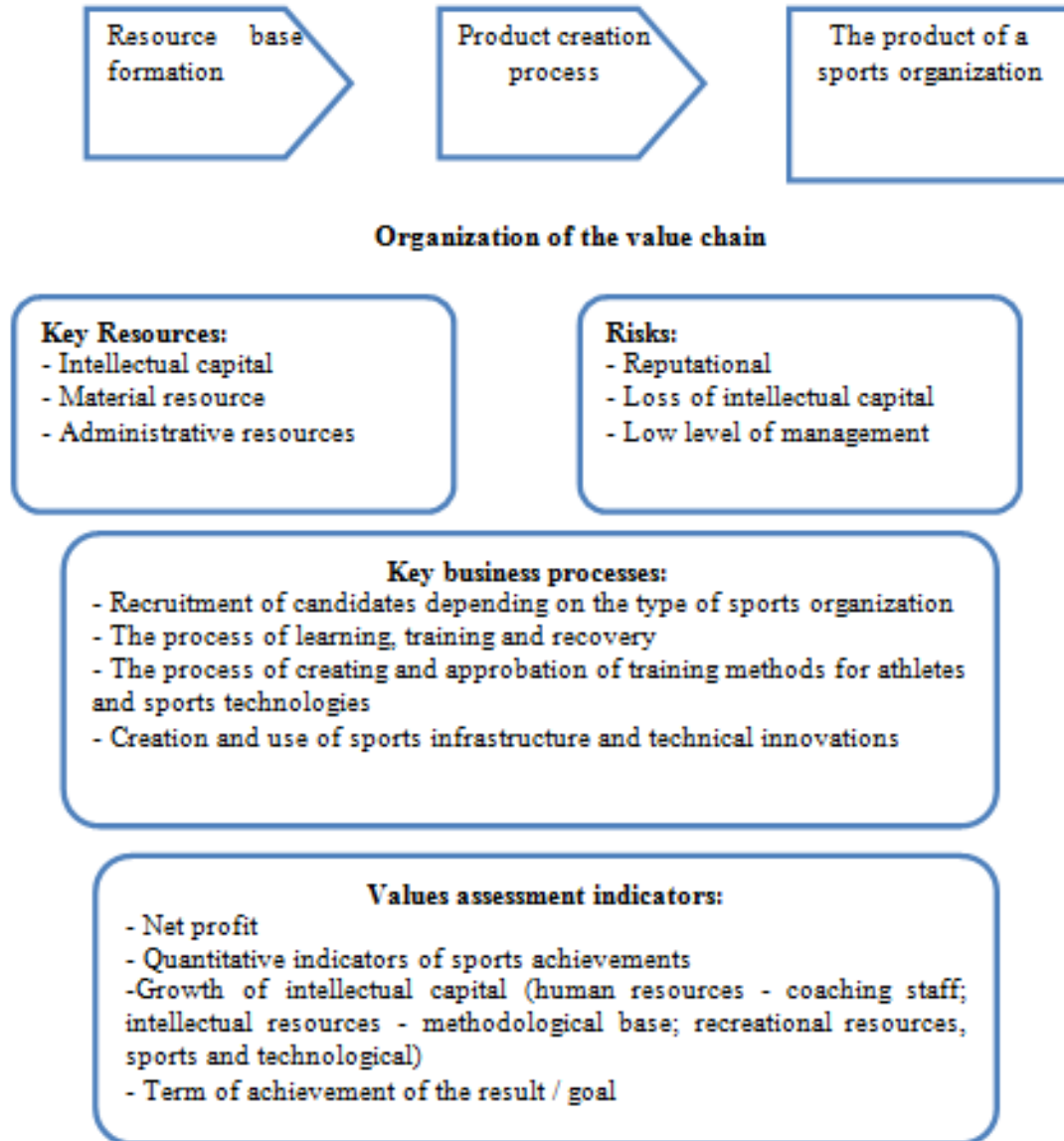
The management system of a sports organization, as an entrepreneurial structure, consisting of a balanced scorecard and covering business processes, can be presented as follows in Figure 2.

Figure 2 Conceptual scheme of the formation of the value of a sports organization



Each main block of the conceptual scheme of the formation of the value of a sports organization is presented in more detail in Figure 3. Here I would like to note that not a single element taken separately, an element of a business model can create a sustainable competitive advantage. Only in combination, all the elements create a unique customer value and competitive advantage for a sports organization.

Figure 3 The main blocks of the control system of the sports organization



Thus, for sports organizations that primarily fulfill the social mission of increasing the employment of the population in physical culture and sports and improving a healthy lifestyle, as well as the formation of athletes at different stages, management mechanisms should combine social and economic components. The development of mechanisms for managing sports organizations is necessary both for eliminating various contradictions and for realizing the possibilities of ensuring all functions and increasing competitiveness.

Consideration of sports organizations as entrepreneurial structures gives rise to the need to develop special management decisions and the development of economic mechanisms aimed at ensuring their sustainable development and increasing competitiveness.

A promising direction in the development of an entrepreneurial structure, including a sports organization, is the construction of an effective intellectual capital management system [2, pp. 9-15].

In scientific research L.N. Orlova notes that “that the management of the competitiveness of economic entities of different levels of management through the impact on intangible factors can be considered from two positions: the evaluation and the position of building an effective system”. Conducting a reliable assessment and embedding intellectual capital into the management system of an entrepreneurial organization is the main goal in the formation of business processes for sustainable development.

In our opinion, in relation to the activities of a sports organization, the system of assessment and management of intellectual capital can be built in the context of its main components, which ensures the implementation of the principle of balance in management (table 1). Since sports organizations are diverse in their structure, organizational and legal form, areas of activity, each of them, depending on their goals, can select a number of target indicators.

Table No. 1 Scheme for assessing and managing the intellectual capital of a sports organization

Sustainable development of sports organizations	Economic potential of sports organizations		Balanced Scorecard			
				Indicators	Objectives	Events
	Entrepreneurial capital	➡	Financial component			
	Sports potential	➡	Organizational capital			
	Labor potential	➡	Human capital			
	Innovation capital	➡	Client capital			

But as general recommendations, the following indicators can be distinguished for assessing each of the types of economic potential of a sports organization and structural elements of intellectual capital.

The financial component can be expressed through traditional economic indicators: efficiency (profitability) of activities, indicators of the use of the material and technical base, coverage of needs through funding sources, etc.

Organizational capital can be assessed through the number of higher sporting achievements in a sporting direction, by the number of modern methods of training athletes, the number of objects of intellectual activity used.

Human capital can be assessed in the form of the following indicators: the level of qualifications of the coaching staff, the level of satisfaction with wages, personal performance in the preparation of athletes, etc.

Client capital can be assessed through the indicators of the implementation of organizational and managerial innovations: the number of spectators (fans), the level of application of scientific and technical achievements in sports practice.

Thus, the presented scheme for assessing and managing the intellectual capital of a sports organization allows you to fully link the development strategy with operational tasks by building a system of business processes adapted to a specific entrepreneurial structure and focused on achieving the social and economic goals of a sports organization.

Today, the theory of effect proposed by S. Saraswati has gained immense popularity. This theory is based on the principles of thinking of entrepreneurs, based on the use of available assets, as well as an assessment of the result obtained. This theory contradicts the theory of causation, which states that it is necessary to apply traditional methods of decision-making by entrepreneurs in order to maximize profits and achieve pre-set goals.

Basic principles of the effect model:

1. The principle of a tit in the hands - start with what you have. Resource-based approach.
2. The principle of acceptable losses - risk small, get off cheap. Experimenting with strategies.
3. The principle of a patchwork quilt - building partnerships. Building strategic alliances instead of competitive analysis.
4. The Lemonade Principle - Use The Case. Uncertainty is seen as an opportunity.
5. The principle of pilot and airplane is control, not foresight. There is no need to search for the best option or forecast the future if you make plans from available resources.

Thus, the search, discovery and creation of new opportunities on the use of unforeseen events and on the control of an uncertain future by effectuating is not considered as a single and correct way of making decisions; it can complement rational methods and, together with causation, be the most important aspect of decision-making in entrepreneurship.

In order for sports organizations to function effectively, a self-regulating system is needed, which in a modern market economy is an effective tool for increasing competitiveness and creating competitive advantages. To build such a system, the following principles must be observed: the principle of openness, the principle of transparency, the principle of using entrepreneurial initiatives as a special resource, the principle of "no complication", the principle of combining evolutionary and revolutionary development [3, p. 236].

The principle of openness is that only open systems will be able to ensure the mobility of transferring resources and relations without changes to a wide subsystem, high mobility of consumers and the speed of integration processes.

The principle of transparency implies openness of relations between all subjects of economic and social relations. An analysis of the openness of Uzbek sports organizations showed that information about activities is not provided systematically, some of the information remains closed.

The principle of using entrepreneurial initiatives implies maximizing the consumer value of a product or service of a sports organization.

The principle of “no complication” suggests that it is necessary to rationally choose one or another solution that will provide a positive result by reducing bureaucratic processes.

The principle of evolutionary and revolutionary development implies making decisions without sharp “leaps”, which will lead to sustainable development in the future.

I would also like to mention the development of internal entrepreneurship in a self-regulating system of an entrepreneurial sports organization as an addition to the listed principles. The leader builds this situational factor, which, depending on the external environment, conducts management and helps the sports organization to strengthen its competitive position.

The implementation of the principles of building self-organizing systems made it possible to develop an organizational and managerial mechanism for realizing the economic potential of a sports organization (Figure 4).

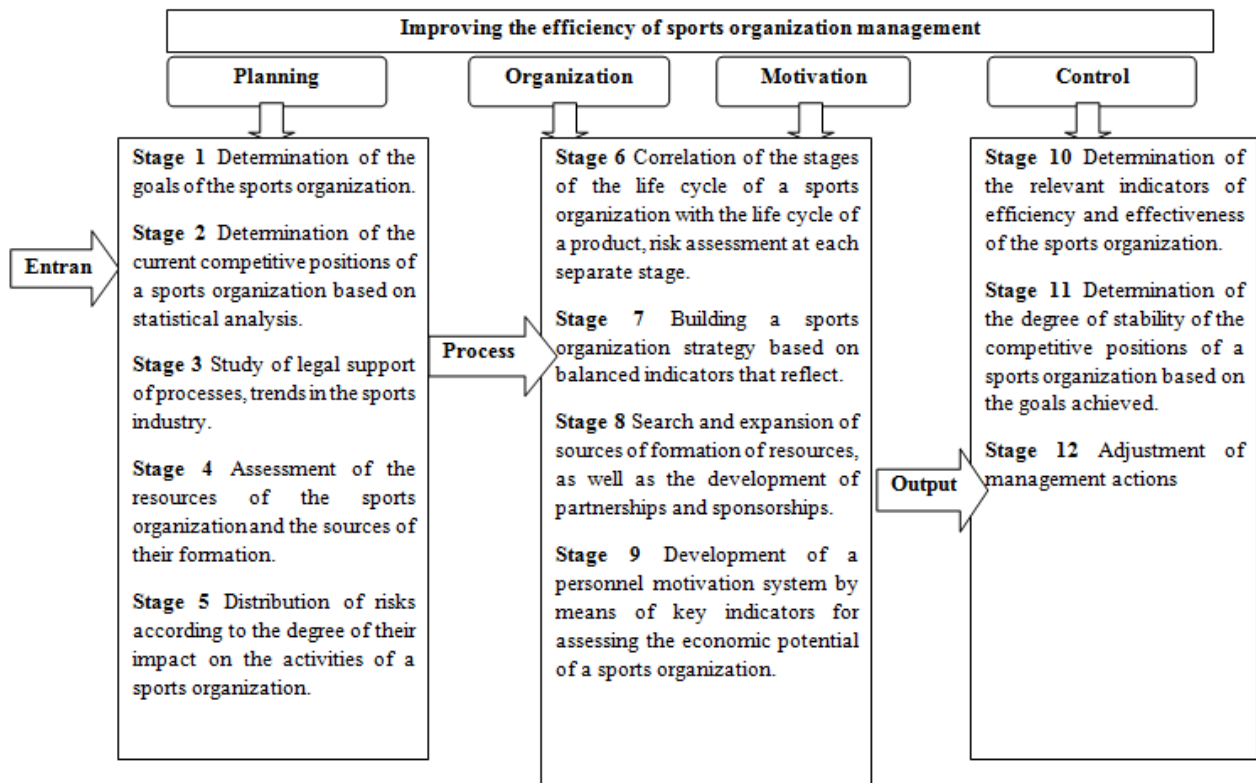
If we talk about the first function of management planning, the use of the economic potential of a sports organization should be carried out in accordance with the main goals of the sports organization, the determination of the current competitive positions of the sports organization based on the application of the theory of strategic analysis, the study of the regulatory support of the processes and trends in the development of the sports industry, resource assessment and sources of their formation; identification of the risks of the activities of a sports organization.

The following management functions, organization and motivation, are carried out through the relationship between the life cycle of a sports organization and the life cycle of a product, a thorough assessment of the risks of each stage is carried out, strategic development maps are drawn up based on balanced indicators, the search and expansion of sources for the formation of resources and strategic partnerships, the development of a personnel motivation system through key indicators for assessing the economic potential of a sports organization.

And the final function of management is realized through the indicators of the efficiency and effectiveness of the sports organization, as well as the determination of sustainable competitive positions of the sports organization based on the goals of the sports organization, as well as the adjustment of managerial influence.

CONCLUSION

Thus, in this organizational and managerial mechanism, a large role is assigned to self-management, the construction of soft (self-organizing) organizational systems. It is the implementation of entrepreneurial initiatives that creates conditions for the realization of economic potential, gives sports organizations the opportunity to escape from strict state regulation. Today, in a modern market economy, sports organizations that will use the above proposed management mechanism will be able to increase their competitiveness, both in the local market and internationally. If we talk about sports organizations in Uzbekistan, then it is this management mechanism that can bring sports organizations that are financially dependent on the state to a new level and will even allow them to conduct an active entrepreneurial activity.

Figure 4 The mechanism for realizing the economic potential of a sports organization

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THE EFFECT OF THE FOURTH INDUSTRIAL REVOLUTION ON IMPROVING QUALITY MANAGEMENT INTRODUCTION

Toshpulatov Ikboljon Adiljonovich¹

ABSTRACT

This paper makes analyses of the effect of the fourth industrial revolution on improving quality management introduction. On this case, both methodological and theoretical aspects were discussed as the whole. In the conclusion, effect of the fourth industrial revolution and its management were analyzed and pointed some outcomes and shortcomings of the topic with some vivid samples.

Keywords : *Effect, industrial revolution, quality management, introduction*

Introduction

The countries of the world pay great attention to the development of science in achieving international competitiveness. The development of science allows the industrial industry to be equipped with modern techniques and technologies, the effective use of artificial intelligence in the management of production processes. In countries with a focus on the development of science and the development of innovative activities, the economy is growing and enterprises are achieving high efficiency. In the highly competitive environment observed in the world market, lagging behind the process of rapid development, not paying attention to the development of science can lead to the crisis of the industrial industry. Aiming to join the ranks of developed countries, Uzbekistan is undergoing rapid reforms in the development of science. Approved by the President of the Republic of Uzbekistan Sh. Mirziyoyev "On measures to further strengthen the infrastructure of research institutions and develop innovative activities", "On measures to further improve the activities of the Academy of Sciences, the organization, management and financing of research" , Resolutions on Science and Scientific Activity. The resolutions provide many opportunities to support research activities, special funds, grants are allocated from the state budget. We all know that the technology used in some industrial enterprises in our country consists of spiritually obsolete, energy-intensive equipment. The high level of energy consumption, in turn, leads to an increase in the cost of production, creating problems related to the competitiveness of enterprises in the world market. In this situation, it is important to conduct research, study and effectively use the experience of new generations of industries used by developed countries.

Literature review

The development of science has created a new revolution in industry "Industry 4: 0". Today, Germany, the United States, the Netherlands, France, the United Kingdom, Italy, Belgium and other developed countries are making effective use of the fourth industrial revolution. A number of researchers have conducted research on the impact of the Fourth Industrial Revolution on the competitiveness of the country, region, industry, enterprise. Hasan Çebi BAL, Çisil ERKAN, one of the foreign researchers, studied the dependence of "Industry 4: 0" on the conscious activity of mankind, the main factor in creating added value, bringing product quality to a new level and its competitive advantage over other industries. The fourth industrial revolution focused on reducing the use of labor, the organization of quality management in a new

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way, the cycles of full coverage of the raw material-finished product process. I.P.Dovbiy, N.V.Ionova, N.S.Dovbiy assessed the impact of "Industry 4: 0" on the country's competitiveness, macroeconomic indicators, GDP. IV Tarasov spoke about the competitive advantages of "Industry 4: 0", including the possibility of direct communication between man and machine through information technology, the transparency of information and the ability to create effective systems, the virtual view of the material world. Liu C. assessed the impact of Industry 4: 0 on macro and microeconomic competitiveness and proposed strategies for implementing the program. Renata Stasiak-Betlejewska, Luminita Parv, Wojciech Gliń studied the most commonly used technologies in the use of software and their impact on the competitiveness of the enterprise. A.Magrupov, one of our local researchers, stressed the need to take into account the program "Industry 4: 0" in the training of modern specialists for the national economy, the program "Digital Uzbekistan - 2030" is related to artificial intelligence, Internet materials, big data, genetic and biotechnology, renewable energy sources, composite materials. It was pointed out that The relevance of the research is determined by the lack of in-depth analytical study of the impact of the program "Industry 4: 0" on our national economy, the effectiveness of its application.

Implemented Methodology

The role and significance of the Fourth Industrial Revolution, ie the Industrial 4: 0 program, in ensuring the country's competitiveness have been studied theoretically and studied on the basis of in-depth empirical approaches. The main purpose of the work is to determine the need for the application of the program "Industry 4: 0", to develop proposals and conclusions on the use of the program in enterprises.

Main part

The first industrial revolution spanned the years 1760-1840 and was characterized by the assimilation of water and steam energy and thus the transition from manual labor to mechanized production. The second industrial revolution was observed in the late nineteenth and early twentieth centuries, an unprecedented phenomenon based on electricity and the conveyor method - marked by the beginning of mass production in industry. The third industrial revolution began in the 1960s, and as a result of electronic and digital technologies, the industry rose to the level of automation. It is well known that these changes have had a profound effect not only on industry and the economy, but on all aspects of human life. They have radically affected the way of life of the population, causing the disappearance of some very important fields and professions only yesterday, and even the emergence of new traditions and customs. At such an important juncture, nations that have not been able to quickly adapt their worldviews to the new era have failed to realize that states that have been slow to modernize have voluntarily given up their leadership positions to others. As a result of the rapid application of scientific research in developed countries to production processes, a new generation of industry, the fourth industrial revolution, has emerged. The distinctive features of the Fourth Industrial Revolution are reflected in the emergence of new technologies that combine the achievements of digital, physical and biological technologies, the disappearance of the boundaries between digital technology and the organic, biological world. Industry - Implementing 4.0 means building a smart industry. Built-in systems and the global network form the basis of cyberphysical systems. Thus, the concept of the fourth industrial revolution is based on four principles: – management of communication between people and machines via the Internet; – Ability to ensure transparency of information and create a virtual copy of the system; – manage large amounts of information and perform a number of tasks that are dangerous to human life; – Ability to make systems decisions independently and autonomously. Industry 4.0 has brought humanity into a new era. This new era has created new opportunities for billions of people,

businesses and governments around the world. Human capital, innovation, technology, flexibility and agility are the most important factors in the success of Industry 4.0. Despite the introduction of various quality management systems in matters related to the quality control of products produced by industrial enterprises, there are still problems with quality. However, the organization of production with efficient systems within the program 4.0 of the industry leads to the complete elimination of quality problems. The application of Industry-4.0, which is the fourth industrial revolution in developed countries today, has led to a new level of quality. It is known that a new generation of industry has been developed in a new form of interaction of personnel, machines and information on the basis of technological changes. Along with this type of industry, a new method of quality management, EQMS (Enterprise Quality Management Software) - an enterprise quality management program - has begun to be put into practice. The EQMS program monitors and manages production processes in digital form, product quality and compliance. The software can also be seen as a quality management platform that integrates with the IT database, facilitating collaboration. For it to work perfectly, all the elements of Industry 4.0 must work successfully. The program performs functions of compliance management, raw material quality management, risk management, statistical process management, grievance redress, product quality planning, audit management, analysis of failed regimes and their consequences, detection of defects and continuous product quality control. The EQMS program also helps to improve quality through the following processes:

- Standardization of processes, measurements and assumptions;
- Integration of quality control systems from suppliers to end consumers;
- Consideration of customer feedback;
- Ensuring data transparency;
- Promotes cooperation through mutual information exchange.

The EQMS software collects, organizes, and stores information about indicators such as the production process, profits, and losses. These data are then analyzed to manage quality management decision-making processes. It should be noted that the correct collection and modeling of data serves to identify problems in ensuring product quality and to find the necessary solutions. One of the most functional features of EQMS software is its ability to quickly conduct large-scale inspections and provide information about the organization's activities. One of the key features of EQMS software is that applications can be integrated with other applications on the platform by integrating between applications. The app also has web apps that allow you to access it anywhere, anytime (see Figure 1).

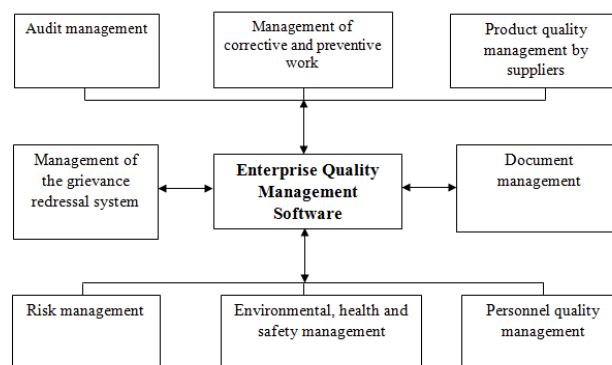


Figure 1. Enterprise Quality Management (EQMS) program management mechanism

As for the mechanism of operation of the EQMS program, the audit of the program covers not only the quality, but also the work process from the start of production to the point of sale. Corrective and preventive work is carried out to eliminate problems and errors identified during the production process. Information on quality management in the production process, the quality of raw materials is also received and processed from suppliers. When reviewing complaints, the information received from employees, consumers and customers is analyzed. Document management is controlled electronically, deadlines are mentioned. Risks to the enterprise will be identified and crisis prevention measures will be developed. Compliance with established requirements for the environment, health and safety is monitored. Necessary measures for personnel quality management are also taken on the basis of the information collected. The EQMS program assures users and regulators that the enterprise's operations are reliable, that its functional and components maintain a high level of integrity and meet established standards. The program also effectively manages resources and checks internal communication and takes preventive measures when required. The EQMS program integrates quality with the goals of enterprises, supporting the spread of quality-related values throughout the entire production process, rather than considering quality management as a function of a particular department. This includes global quality integration, requiring the application of common, uniform quality requirements instead of local standards. This type of electronic technology ensures that the data obtained from the previous section meet the quality standards throughout the entire workflow, thereby supporting high-quality results in the workflow in addition to the workflow. The software integrates data from all departments, allowing for deeper communication, analysis, and more effective detection of deficiencies. In addition, the app integrates with mobile technology to allow consumers to explore their perceptions of product quality. As an enterprise's market share or business grows, product quality management processes also become more complex. The EQMS program is tailored to meet the needs of the enterprise at each stage of such growth. The program is geared towards deploying more data sets, automating wider processes, supporting more users in addition to enterprise employees, and all the processes needed to support quality management at every stage of growth. It is important to establish an existing quality management system in enterprises using the EQMS program. This requires equipping each department with modern information and communication technologies, the integration of departments with each other using local area networks (see Figure 2).

2- picture. Improved system of quality management in industrial enterprises ¹

In order to implement this program, industrial enterprises must first install the following, which are mandatory elements of Industry 4.0:

- Introduction of automated process control system.
- APS (Advanced Planning and Scheduling) - organization of synchronous production planning.
- MES (Manufacturing Execution System)
- organization of production process management system. – IIOT (Industrial Internet of Things)
- full provision of the enterprise with industrialized Internet products.
- Big Data-installation of systems, software and equipment for processing large amounts of information.
- Introduction of CAD / CAM / CAE systems.
- PDM (Product Data Management) is the establishment of a product data management system.

¹ Муаллиф ишланмаси

- PLM (Product Lifecycle Management) is the installation of product life cycle management software.
- Introduction of 3D printers and other additional technologies.
- ERP (Enterprise Resource Planning) - organization of enterprise resource planning system.
- CRM (Customer Relationship Management)
- To establish a customer relationship management system.
- SCM (Supply Chain Management) - supply chain management.

When applying the program to industrial enterprises, all departments are connected to the server computer, and EQMS software is installed on the server. As a result, the flow of all information is monitored using the program, information on defects in the production process, defects are identified and suggestions are made to take the necessary measures.

In general, the application of the program to industrial enterprises allows to manage quality on the basis of global standards, which in turn ensures the competitiveness of the product in the global market. Given the importance of applying the program to industrial enterprises in the country, it is recommended to implement an improved system.

Conclusions and suggestions

The following conclusions and recommendations were developed during the research: - In Uzbekistan, the program "Industry 4: 0" has a wide range of opportunities for all industrial enterprises, in this regard, it is necessary to establish manufacturing enterprises on the basis of the program; - It is necessary to pursue a strong cyber security policy and develop measures to improve the ICT infrastructure in the use of the program "Industry 4: 0"; - It is necessary to use Enterprise Quality Management Software (EQMS) in industrial enterprises; - It is necessary to organize training or send employees of prestigious foreign institutions for internships in order to have high qualification in the field of ICT.

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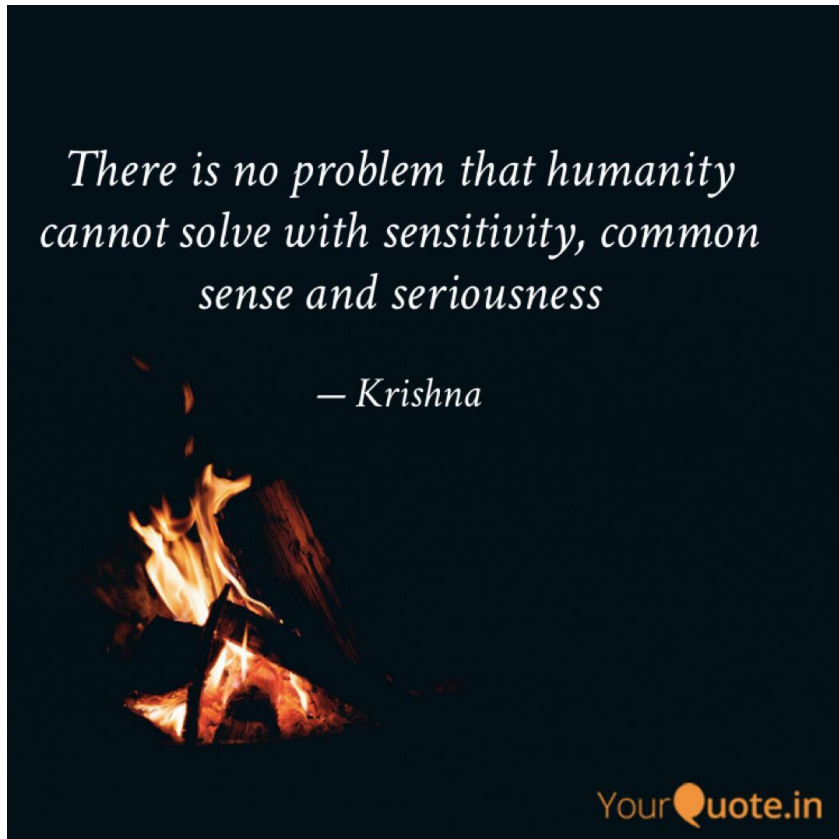
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*There is no problem that humanity
cannot solve with sensitivity, common
sense and seriousness*

— Krishna



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FACTORS INFLUENCING THE PERSONNEL MANAGEMENT SYSTEM IN INDUSTRIAL ENTERPRISES

Yuldasheva Nilufar Abduvakhidovna¹

ABSTRACT

The article deals with the issues of personnel management at industrial enterprises. The factors influencing the personnel management system of industrial enterprises are classified. The degree of influence of internal and external factors is highlighted.

Keywords and phrases: *Industrial Enterprises, Personnel Management, System, Efficiency, Quality Of Personnel Management, Factors, External Factors, Internal Factors.*

Introduction

The personnel management system at industrial enterprises is a set of measures aimed at constantly increasing labor productivity, increasing the efficiency of using tools and means, maintaining the health of workers, transforming labor into a guarantee of their well-being and a decent standard of living.

The personnel quality management system at industrial enterprises is based on the elements of the formation and development of human resources. Only employees can organize the work of the enterprise in a certain direction and ensure the achievement of the goals of the enterprise. Consequently, there is an objective need to search for new mechanisms and methods of the personnel quality management system to ensure its effective functioning. Providing enterprises with effective personnel is a complex task consisting of certain directions and stages.

In light of the current situation, most businesses are thinking about the integrated use of human potential, which is a result of the following problems faced by many business leaders:

- dismissal of authorized employees,
- Lack of labor discipline and level of responsibility,
- Low qualification of personnel,
- Unstable spiritual and psychological environment,
- Poor motivation of employees,
- Insufficient entrepreneurial spirit of workers in solving production problems, etc².

The main element of personnel management in industrial enterprises is the personnel policy of the organization³.

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² Лукашевич В. Управление персоналом. М.: Юрайт, 2016. 498 с.

³ Одегов Ю.Г. Кадровая политика и кадровое планирование. М.: Академия, 2017. С. 74.

Results and discussion

The economic development of the enterprise, its efficiency and reputation directly depend on the activities of the team. Working with employees is a complex process that has both group and individual characteristics. Personnel management is the process of developing and implementing a system of organizational, socio-economic and cultural activities aimed at ensuring the effective use of the labor potential of each employee of the enterprise. The effectiveness of the personnel management process at the enterprise depends, first of all, on the composition of the labor potential of employees.

Personnel quality management in enterprises is a multifaceted and complex phenomenon both in content and in organizational forms. Each organization uses specific methods of human resource management. They are carried out by influencing individual employees of the enterprise or the entire system. In this system, two areas can be distinguished: people management and activity management¹.

Personnel quality management includes the following activities: planning activities, setting production goals, creating a performance appraisal system, quality control to achieve goals, and much more.

Every organization, regardless of its activities, pursues the same goals in working with employees to increase the success of their business. Competently performed work of each individual employee leads to the best result of the enterprise as a whole and the achievement of the set goals.

The level of employee satisfaction with their job responsibilities and working conditions is very important for managing the quality of work. The psychological environment of the team and its emotional stability will depend on the comfort of the employee's workplace. Science in the field of personnel management has confirmed that a person is the main "detail" of an enterprise, and the humanization of his working conditions has a positive effect on the activities of the entire organization.

Practice shows that enterprises that constantly modernize the internal organization of labor are very rare. At the same time, it is no secret that IT technologies are characterized by the rapid growth of innovative networks, the main source of which is a person and his creative potential².

Labor productivity is one of the effective indicators of the company's use of labor potential³.

The quality of personnel management is a dynamic indicator, which is differently assessed at different stages of a person's life by both objective and subjective approaches and methods; it is formed by a combination of factors that affect different levels of socio-economic systems.

Given the complexity of the categories of "human resources", it is advisable to study the management system of these objects from the point of view of interdependence and integration. The socio-economic system at each level is formed under the influence of certain forces and factors characteristic of the system at this level, and has a certain impact on the quality of employees.

¹ Кибанов А.Я. Управление персоналом организации. М.: Инфра-М, 2017. 704 с

² Жулавская А.Е. Благоприятные условия труда как составляющие организации труда современного предприятия // Молодой ученый. 2016. № 11 (115). С. 740-742

³ Одегов Ю.Г. Факторы производительности труда: теория и практика // Нормирование и оплата труда в промышленности. 2016. № 7. С. 18-26

In our opinion, in general, the factors affecting the quality management of workers in industrial enterprises should be divided into the following groups.

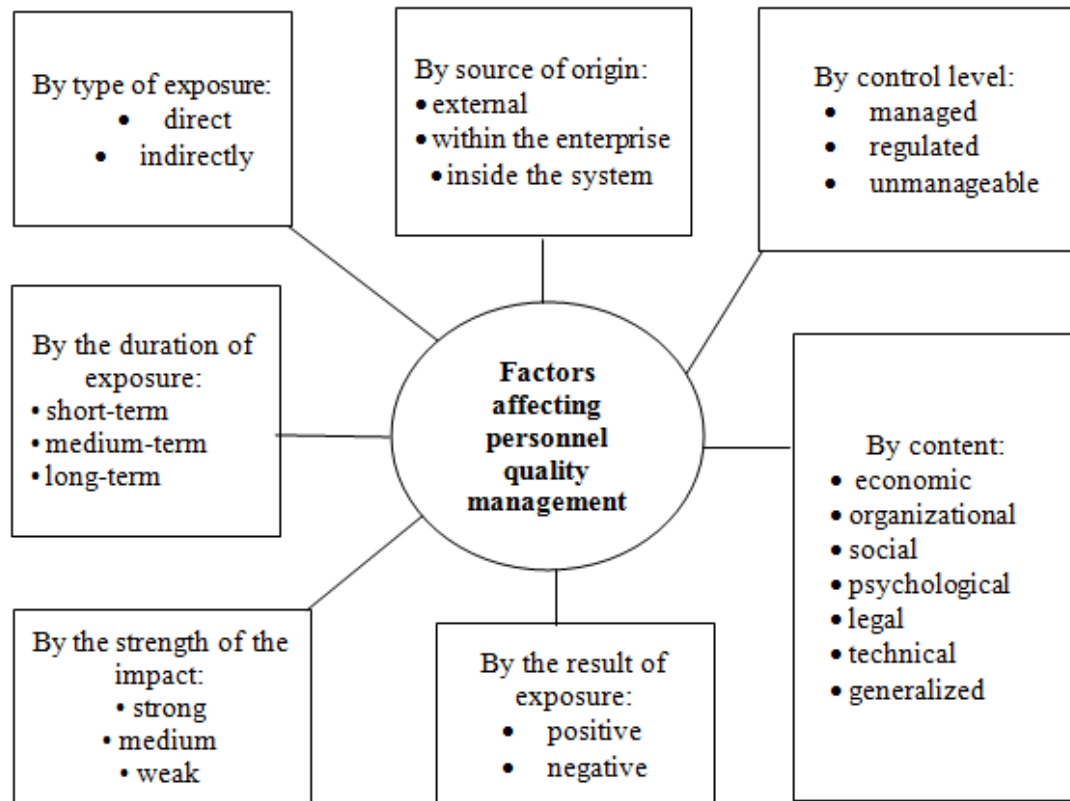


Figure 1. Factors affecting quality management of personnel in industrial enterprises¹

Enterprises as an open system interact with resources, energy, personnel, and consumers in the external environment. He must promptly respond to external changes, determine the factors that determine the environment, find the necessary ways to influence external changes.

There are two types of external forces in relation to enterprises:

1. Environment of direct impact. It includes factors that directly affect the activities of the enterprise.

These factors include suppliers, labor, government regulations, laws, consumers and competitors, the nature of the labor market, established social institutions, and so on.

2. Environment of indirect impact. This applies to factors that do not directly affect the activities of the enterprise, but are interrelated. These are factors such as the state of the economy, scientific and technological progress, socio-cultural and political changes, the influence of group interests and events that are important for an enterprise in other countries.

¹ Created by the author

The success of chemical enterprises depends largely on external forces and work in the global external environment. It is necessary to understand the influence of these external variables in order to effectively perform management functions in the context of constant changes in the political, economic, demographic situation. Organizations operating in today's complex world must adapt to changes in the external environment and change their personnel management policy accordingly (Fig. 2).

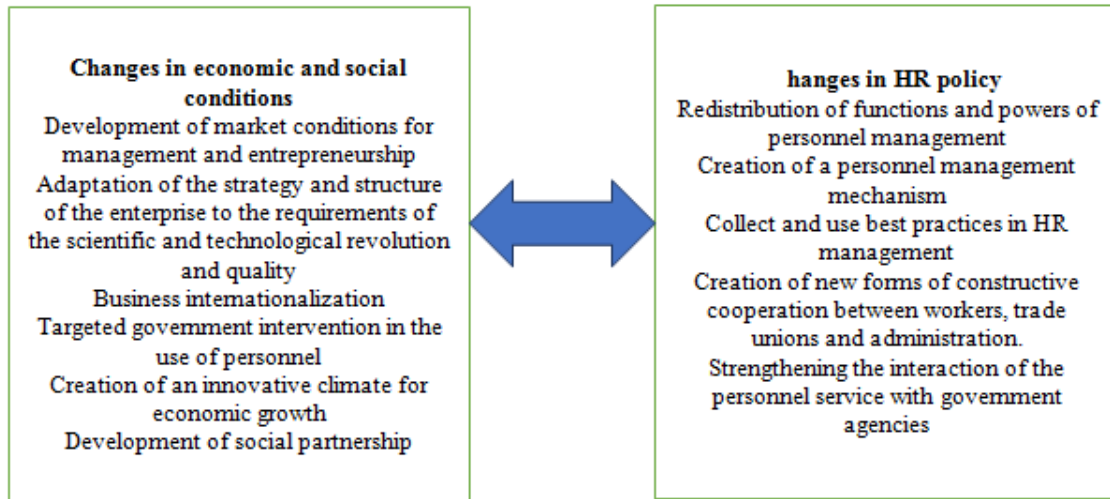


Figure 2. Impact of external changes on the quality of personnel management¹

External factors (state laws and forms of state regulation, requirements of trade unions, the presence of competitors and external economic conditions, the nature of the labor market, etc.) have a significant impact on the personnel policy of the organization. Labor legislation and government regulation of labor are important external factors affecting human resource management. Areas of influence include:

- Legislation establishing equal opportunities for recruitment, selection, assessment, promotion and training of personnel;
- Exclusion of discrimination based on sex and age;
- Regulation of wages, working hours, unemployment, etc .;
- Regulation of benefits affecting pension provision;
- Health;
- Laws governing labor relations.

Regulatory issues include:

- Regulation helps to apply simplified approaches to complex problems: approaches to small and large enterprises are practically the same, the same regulatory system is applied in different industries, etc .;

¹ Created by the author

- Decision-making time slows down;
- Regulation often leads not to mutual adaptation and mutual interest, but simply to the need for complex legal maneuvers;
- The rules are outdated but still apply.

From external economic conditions, the presence of competition and conditions in the labor market significantly affect the quality management of employees,

In order to analyze the relationship between an enterprise and its environment, it is important to take into account the interests and criticisms of the so-called "group". In this case, the position of stakeholders, in turn, depends on the state of affairs in the organization. A company typically deals with four main interest groups:

- Internal (owners, managers, employees);
- Economic (customers, suppliers, competitors, creditors, potential labor force);
- Public (state, media, public organizations, etc.);
- Interests of ecologists (scientists, associations of interested organizations and individuals, government, etc.).

The importance of activity groups to an organization varies and depends on the situation. Depending on the nature of mutual claims, relations with them are constantly changing. Thus, not only does the organization have certain obligations to society, but society also assumes corresponding obligations to the organization. As a result, targeted relationship management with the groups in question will be required.

This work goes through several stages. Groups within the firm are first identified, which are then analyzed according to their goals, strategies and tools. They then move on to the study of external factors and complete this work by developing their own organizational strategy.

The external environment and internal organizational environment are an integral part of the "enterprise" system, since its members are in constant contact with the environment. Consequently, the complexity of the structure of the entire complex of these connections, it becomes necessary to study them.

The internal environment of industrial enterprises is determined by the relationship of team members and their interaction with the organization as a whole. These relationships depend on the strategy, structure and culture of the organization. In addition, within the organization itself there are many subsystems that can influence certain elements of the management system, especially the behavior and position of managers and employees (see table 1).

Table 1 : Internal factors affecting the management of personnel of industrial enterprises¹

Classification of internal factors			
Demographic factors	Technical and organizational factors	Socio-economic factors	Socio-psychological factors
Age and gender composition of employees Marital status of employees Job opportunities for other family members District, demographic situation of the city Personal qualities of employees skills way of thinking and inclinations • work interests and motivation	Tools, materials and products The essence and content of labor Working conditions, hours of work and rest Labor mechanization level Labor organization and management Production structure The rhythm of work Labor rate Industrial and labor discipline	Labor law and other norms and rights governing the labor relations of employees The system of material and spiritual incentives The system of benefits and advantages offered to work in a certain area, an enterprise. Level of qualifications and education Housing and living conditions and organization of delivery Organization of medical care and rest for workers Timely professional growth and promotion	Team solidarity Relationships between managers and subordinates in a team Compliance of the employee's capabilities with the work performed Participation of employees in solving problems of industrial and social development of the enterprise. Career guidance and career choice Socio-psychological climate Employee satisfaction

¹ Created by the author

Modern requirements for personnel management are forced to take into account in this work new internal conditions, such as the philosophy and ethics of the organization, the principles of its activities, etc., which are combined into one whole - the policy of the organization.

Factors of the macroenvironment, which mainly determine the initial state of the quality of human resources at all levels of the macrosystem, are an indicator of the effectiveness of socio-economic systems at the national, regional, international (mega-level) levels.

In the context of the need for modernization, national and regional policies aimed at developing certain social and economic spheres that directly or indirectly affect the quality of human resources are aimed at ensuring the maximum accumulation of human capital and people. The potential simultaneously creates the necessary conditions for a qualitative change in the economy, thereby forming a class of personnel or a structure capable of implementing a class of modernization or the necessary transformational changes.

Modern conditions of management and development of the economy define labor resources as the main resource that creates opportunities for the development and competitiveness of enterprises. On the other hand, high rates of technological development lead to a rapid decline in the information society and a new economy, characterized by inefficient use of labor resources or stagnation, characterized by a narrowing of space, including the competitive one¹.

Due to the influence of these factors, the employer is interested in the continuous improvement of the quality of labor resources, even from the point of view of implementing his approach to social responsibility and quality, ensuring his competitiveness and survival in the market and achieving certain individual, social, group goals.

Based on the above, the theory of E. Lezier is considered acceptable, according to which external factors for the enterprise affect the personnel quality management system, the various goals of the organization and the measures that it develops in the field of personnel management, its quality can be reduced. expressed as follows:

$$ap=f (Zw , Zh , Zi , Zg /r, S, Ok) \quad (1)$$

Here ap is the activity of the enterprise in the field of personnel quality management;

Zw - economic goals of the enterprise;

Zh - social goals of the enterprise;

Zi - individual goals;

Zg - group goals;

r is the state of the enterprise resources;

S is the state of the environment;

Ok - the organizational structure of the enterprise.

¹ Стуканова С.С. Управление качеством трудовых ресурсов в социально-экономических системах. Диссертация на соискание ученой степени доктора экономических наук. М.:2018. С. 135

It follows from the formula that, according to the theory of E. Lazear¹, the direction of personnel quality management at the micro level is determined by the economic and social goals of the organization, the goals of individuals and their groups, as well as the availability of resources, the type of organizational structure and environmental factors. However, the entire set of goals specified in the formula is treated as variable factors, and the availability, environment and organizational structure of resources are constant. The classification of the latter factors as permanent seems to be controversial, as they can be more stable and less permanent than goals of any type. However, it is important to analyze all of these indicators.

Thus, personnel quality management is determined not only by the factors of the internal environment of the enterprise, but also by many factors at the macro and micro levels. These relationships are classified as follows²:

$$Qlp = (TrC; WT; GDP; PPP; \dots n), (2)$$

Qlp - the quality of labor potential;

TrC - transaction costs;

WT - working time;

LE - the level of education;

GDP - gross domestic product;

PPP - GDP per capita

... n - many other factors.

It is also obvious that the dynamics and change in the quality indicators of employees of the enterprise, including as a result of the implementation or non-implementation of certain measures on the part of management systems at different levels, and in particular on the part of the management of enterprises. Therefore, when diagnosing the influence of factors at the micro level on the change in the qualitative indicators of workers, it is also advisable to apply a systematic approach (Fig. 3).

It is obvious that factors at the micro level in most cases are presented as factors that change the quality of employees in the work cycle of human life. However, given the effectiveness of the universal responsibility approach to quality, it is necessary to strengthen the role of these group factors in other periods of a person's life.

¹ Lazear E. P. Personnel Economics. The Wicksell Lectures // Massachusetts Institute of Technology.- Cambridge, Mass. :MIT Press, 1995. – P.184.

² Дмитриев Н.Д., Зайцев А.А., Ильченко С.В. Управление качеством трудового потенциала компании с помощью сокращения транзакционных издержек // Вестник Алтайской академии экономики и права. – 2020. – № 4-3. – С. 308

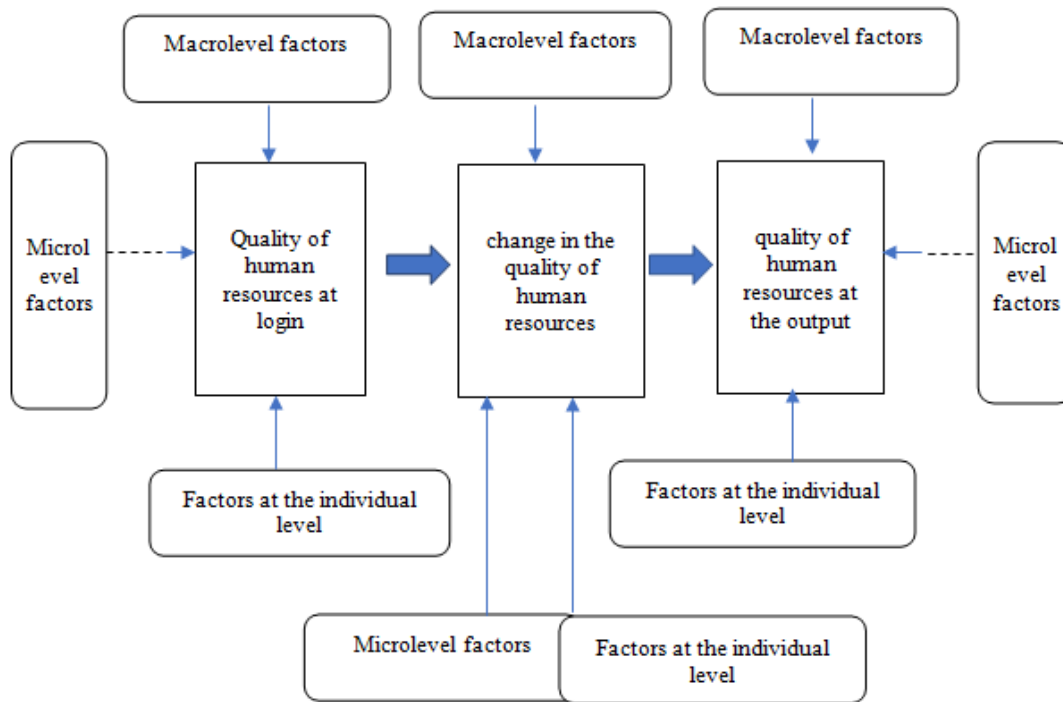


Figure 3. Factors affecting the quality of personnel management¹

Thus, the quality of employees, formed by individual and macro-level factors when "entering" the system, is influenced by the goals of the organization, its values, strategy, the specifics of the work performed and the evaluation criteria developed by the employer about the "ideal" employee.

The role of micro-level factors in the transformation process is especially important: they mediate the influence of macro-factors, since an effective enterprise policy in the field of personnel quality management neutralizes negative environmental factors or enhances the influence of positive factors, and the level of individual-level factors affects nature.

Outgoing personnel quality indicators describe the effectiveness of measures taken by the employer to manage the quality of personnel, the selection and implementation of the company's personnel strategy, the effectiveness of micro-level factors such as the employer's HR brand, corporate culture, organizational climate, and managerial role. and personality. These factors include employee planning, technologies for their practical assessment, availability of training and development programs for personnel, social support for employees, remuneration policy, and much more.

¹ Created by the author

Conclusion

Factors that ensure the quality of human resources at the micro level can be divided into general (goals and priorities for the development of the enterprise, general strategy, financial policy, etc.) and specific (specific areas that directly affect the quality of personnel).

As microlevel factors, it is important to develop educational institutions in which personnel, location of the organization and infrastructure are trained. These factors reflect such key qualities as the level of knowledge and intellectual development, the quality of life, and the state of health.

Today digitalization allows reaching a new level of quality management in various areas of management, focusing human resources on important tasks and eliminating negative effects inherent in people (human factor).

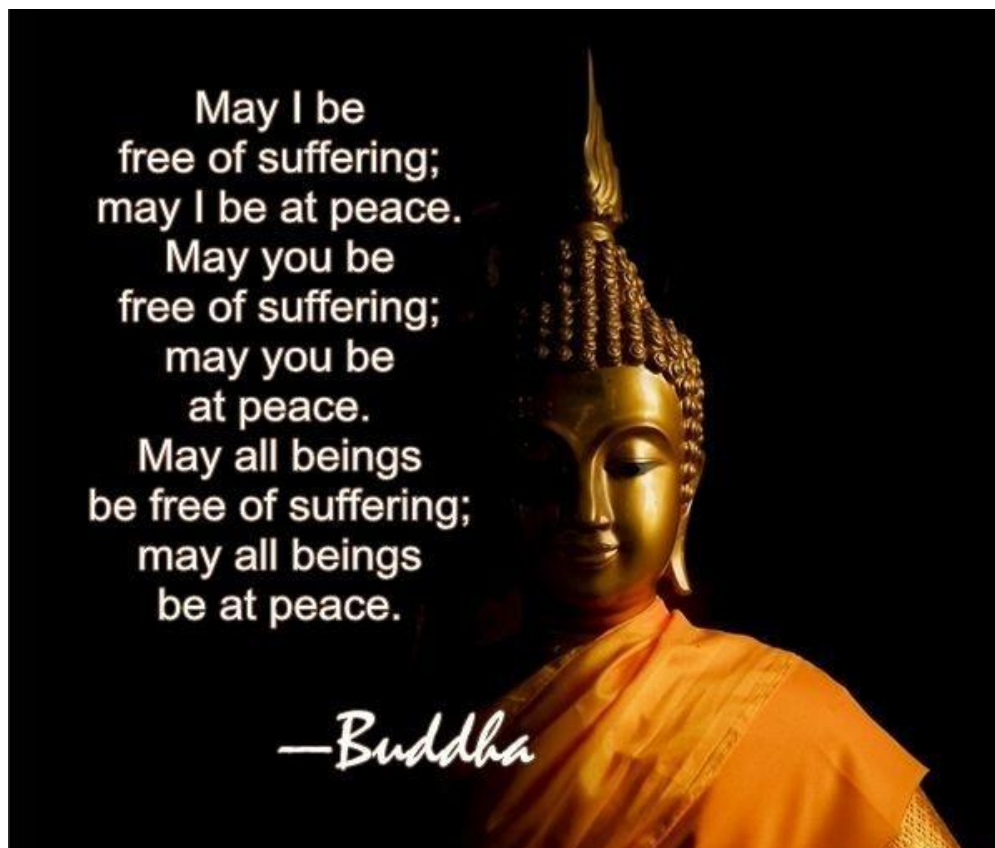
Nevertheless, the role of digital transformation does not diminish the importance of human activity, but it eliminates unnecessary operations and contributes to the rationalization of business processes. Today, the informatization of production processes leads to the development of new management systems that help improve the quality management system of employees.

It should be noted that the data obtained can be used to create a personnel quality management system at the production level and to form its dynamics of planning and accounting indicators. The importance of such measures lies not only in increasing the efficiency of production processes in the national economy, but also in taking measures to withdraw the share of the national economy in emerging markets.

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THE IMPORTANCE AND FEATURES OF THE PROCESS OF RESTRUCTURING THE REGIONAL ECONOMY

Feruz Murodxo'Jayeva¹

ABSTRACT

The article highlights the importance and objective necessity of restructuring the regional economy in the context of innovative development of the economy. Restructuring also refers to highly complicated production and organizational changes, constant adaptation to national and regional markets, and high-risk processes. Therefore, restructuring is of a complex nature and is an integral part of a very large database, in-depth financial and economic analysis, and the practical operation of government support mechanisms. Furthermore, the dynamics of development of economic sectors of Namangan region are analyzed and the application of restructuring in the structural units of the economy are shown in the article.

Key words: National Economy, Region, Regional Economy, Enterprise, Restructuring, Industry, Innovation, Efficiency, Competition, Competitiveness.

The stage of deepening economic reforms in Uzbekistan is characterized by the harmonization of the processes of modernization of the economy, diversification of sectoral and regional structures.

The priorities of the medium-term reforms in the economy include deepening the structural changes, increasing the competitiveness of the economy, comprehensive and balanced development of regional structures, effective use of regional potential [1], reducing the tax burden in economic policy, economic incentives for fast-growing large enterprises, improving the legal and regulatory framework for economic liberalization, paying special attention to innovative development approaches [2].

Under the influence of changing external environment and factors, producers often face problems such as declining competitiveness, declining market share, declining profitability, which requires them to manage their movement at the lowest cost and improve the organizational and economic structure.

In this context, one of the important market tools to increase production efficiency is restructuring.

Restructuring should be carried out not only in times of crisis, but also in economically sustainable entities that are fully competitive and innovative. Looking at restructuring as an objective phenomenon and an integrated process requires the choice of completely new forms of its implementation.

Today, the process of restructuring and its implementation is one of the least studied and controversial issues in economics. At the same time, restructuring also refers to highly complex production and organizational changes, constant adaptation to national and regional markets, and high-risk processes. Therefore, restructuring is a complex nature and an integral process with a very large database, in-depth financial and economic analysis and the practical operation of government support mechanisms.

In the process of deepening reforms, the strengthening of the principle of decentralization of public administration, the need for full implementation of its economic policy and the development of the economy

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at the regional level and the existence of sharp differences in their social problems make it necessary to study the problem.

In addition, the need to harmonize the economic interests of central, regional and local governments and public organizations in solving economic and social problems related to the restructuring of the economy also determines the relevance of the study at the regional level.

The specificity of the implementation of restructuring in the regions is required by the transformational processes in the economy and is determined by a number of objective and subjective conditions for the development of a particular entity. The main ones are:

- The condition of production capacity of the region;
- Assessment of future directions of its development;
- Opportunities to attract the necessary investments for the implementation of restructuring in the region;
- Participation of sectoral, regional and local government structures in the restructuring process.

It should be noted that structural changes, as well as the proportionality of structural ratios at the macro level, retain the same dominant position at the micro and meso levels. After all, any structure of the whole economy, in turn, consists of a set of sub-components. In this regard, the central units of the structure - the regions - play an important role in the ongoing structural reforms in the economy.

In this regard, increasing the level of technical and technological support of the regions, reducing the cost of goods and services, expanding the assortment, diversifying specialization, and, accordingly, radically changing the organizational and managerial relations are important areas of structural reform.

Indeed, the effectiveness of structural reforms in the economy depends to a large extent to which these reforms take place in regional structures.

This is explained by, firstly, the "transformation of each individual region into a separate operating part of the national economy as an independently organized economic system", and secondly, the high geographical spatial factor (natural and economic geographical and geopolitical) in the mobilization of resources in the economy (natural, socio-demographic, innovation, entrepreneurship, management, economic, financial, etc.), thirdly, the fact that the sectoral policy of the state in the field of reform and development of economic sectors is always regional in nature.

The effectiveness of structural changes in the context of economic transformation in the conditions of rapidly expanding globalization processes and the deepening competitive environment largely depends on their organization at the regional level.

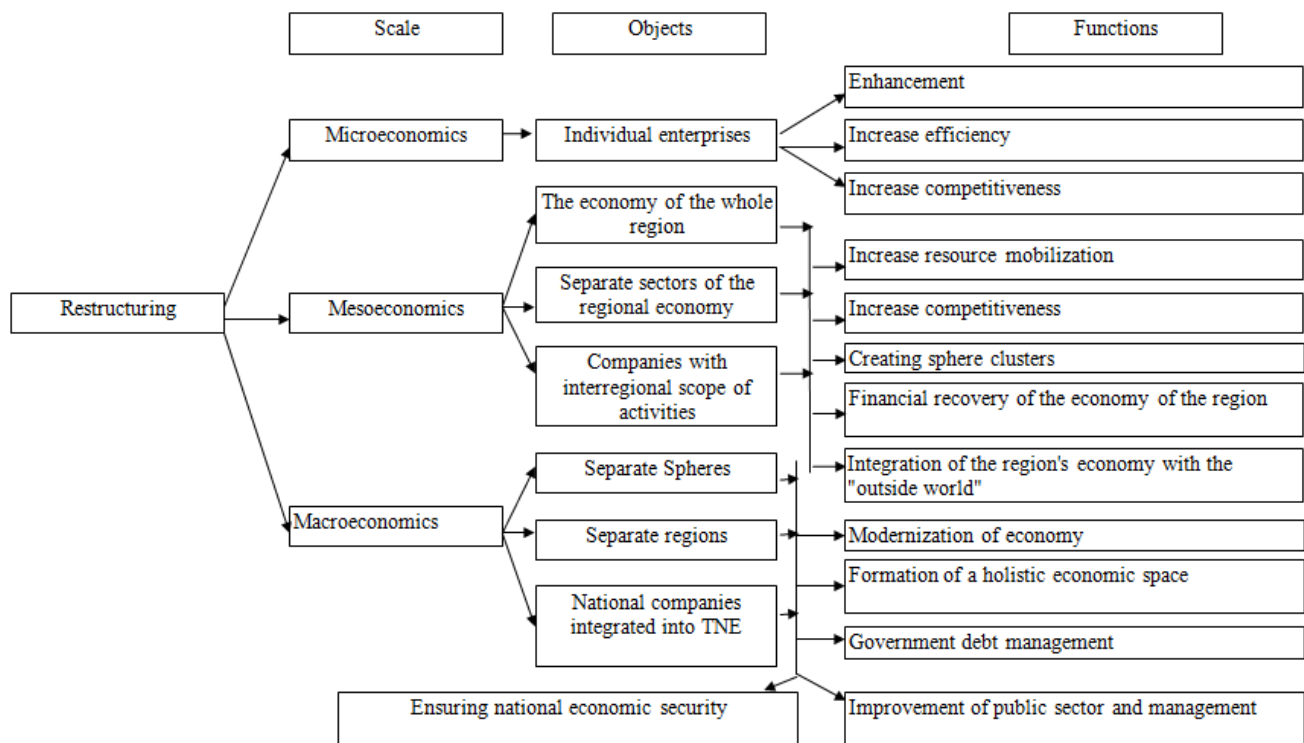
This aspect can be observed in the example of the restructuring of the production of individual industries.

In the economic literature, restructuring is considered primarily at the level of the industry or individual enterprises (companies), which can be explained by:

- High degree of integration of the economic system in developed countries in the sectoral and regional structure;

- Territorially large countries - such as the United States, Canada, Russia, Brazil, although the territorial structure is fragmented (which in the U.S. and Canadian experience is interpreted as mutual economic independence of regions), these countries are in the form of a federal organizational structure of the state;
- Restructuring processes have been studied in the economic literature on the example of large companies and corporations, and these companies are characterized by a transnational nature;
- The process of restructuring the regional economy is mostly carried out at the sectoral level. This can be explained by the example of the restructuring of the East German economy (“New Federal Lands”) that took place in Germany in the 1990s.

Figure 1 : Implementation of restructuring in the structural units of the economy¹



We consider the process of restructuring the regional economy on the example of industrial production (Namangan region), which occupies a central place in the economic system.

Before analyzing the financial and economic situation of industrial enterprises in Namangan region, it is necessary to briefly describe the socio-economic potential of the region and its role in the division of labor in the country.

¹ Prepared by author

Namangan region takes place for 1.7% of the country's territory, 8.3% of the country's permanent population, 7.7% of employed in the economy, 4.2% of GDP, 2.7% of industrial production, 7.0% of agricultural production. %, 5.0% in total fixed capital investment and 6.7% in foreign investment, 4.6% in construction, 4.3% in total services, including 6.0% in retail trade, 3.4% in wholesale turnover, with a share of 1.4% in exports and 2.7% in imports in 2018¹.

In 2020, the main structure of the manufacturing industry in the region will be the production of textiles (26.6%), food production (24.2%), clothing (15.7%) and beverages (4.5%). % sectors.

The number of industrial enterprises in the region in 2017 amounted to 3992, of which only 38 or 1.1% are large enterprises. Currently, 97.3% of existing industrial enterprises are business entities.

In addition, 73.1% of industrial output in the region is produced for by local enterprises, the remaining 26.9% by enterprises with a high share of the state. In this regard, the regional rate is 1.4 times higher than the national average, in the second place after Tashkent (76.5%). In essence, this figure is, firstly, the high share of consumer goods in industrial production of Namangan region (69.6% of total industrial output, 1.8 times higher than the national average and 2nd place after Andijan region (71.3%)), secondly, the high share of the small business sector in the production of the sector (34.4%, which is almost 1.3 times higher than the national average), respectively, the very small number of large industrial enterprises and the slow pace of large national and international projects in the industrial sector, thirdly, the high active participation of private domestic investment and loans from commercial banks in the regional industrial sector.

The analysis of the data shows that GRP in the region has a stable growth rate, which is inextricably linked with the development of the network structure.

Table 1.

GRP growth rate and dynamics of its composition in Namangan region (in billion soums)²

Indicators	In 2013	In 2015	In 2017	In 2019	In 2020
Gross regional product, in billion soums	7217,2	10826,9	15311,1	23920,9	27903,2
Growth rate, in percentages	108,0	107,7	103,4	107,5	105
The share of key sectors in GRP, in billion soums					
• industrial production	1892,1	2861,8	4615,5	8818,1	10950,8
• construction	730,9	1010,4	1475,2	3471	11982,6
• agriculture	4901,8	7610,9	11398,3	16832,2	19328,3
• retail trade turnover	2853,5	4166,7	6334,2	9962,2	11531,9
• services, total	2292,3	3320,6	4999,2	7442,9	8881,8

¹ Data of www.namstat.uz

² Data of www.namstat.uz

As of January-December 2019, the volume of gross regional product (hereinafter GRP) in Namangan region in current prices amounted to 23 239.0 billion soums and increased by 7.0% compared to the same period in 2018. As per end of January-December 2019, GRP per capita amounted to 8,353.6 thousand soums, which is 4.8% more than in January-December last year. The contribution of Namangan region in the formation of GDP in the Republic of Uzbekistan amounted to 4.5%.

Growth rates in key sectors of the region's economy have been a key driver of GRP growth. In particular, the growth rate of agriculture, forestry and fisheries was 102.6% (share in GRP - 45.0%), industry - 114.0% (15.0%), construction - 138.7% (6.9%), trade, accommodation and catering services - 101.7% (7.1%), transportation and storage, information and communication - 106.1% (5.4) % and other service sectors - 105.2% (20.6%).

The share of agriculture, forestry and fisheries in the structure of GDP decreased by 2.7 percentage points and amounted to 45.0% in the reporting year. The share of industry (including construction) increased by 2.8 percentage points to 21.9%. The share of the services sector in GRP in January-December 2019 amounted to 33.1% and decreased by 0.1 percentage points compared to 2018 (33.2%).

The share of trade and catering services in GRP is 7.1% (as of January-December 2018 - 7.7%) whereas transportation and storage, information and communication is 5.4% (6, 1%) and other service sectors constituted 20.6% (19.4%).

In 2019, the volume of industrial production in the region amounted to 9092.4 billion soums, accordingly, the industrial production index was 114.0%.

Socio-economic reforms in the country have served as a guide to the recording of high growth rates in the regional economy. In particular, "The Strategy of Actions on Further Development of Uzbekistan in 2017-2021s" has become a criterion for ensuring high growth rates in the region. It should be noted that over the past years, the region has played a special role in the effectiveness of programs, focusing on the development of agricultural processing industries, including light and food industries, which retain a high priority in GDP.

Within the framework of the regional programs adopted by the government, high attention is paid to the development of light industry. In the programs for 2013-2015, investments in total amount of 121.4 million USD was involved for the production of finished light industry products with deep processing of 17 cotton fibers in the region and 11 237 new jobs were created.

According to the analysis of the structure of consumer goods production in 2010-2014, the production of consumer goods in the region increased to 2.7 times, including food products to 2.1 times, non-food products to 2.7 times and light industry products to 3.9 times" [4].

The growth rate of light industry products has remained stable over the past 5 years, averaging 14.1%, while the share of the region's gross industrial output averaged 38.4% but this figure decreased from 39% to 35.7% in 2013-2016, and in 2017 the share of the sector in the gross regional industry reached 40.0%.

The analysis shows that the use of resource potential in light industry production in the region is very low. Thus, in 2015, the region produced about 76 thousand, in 2016 - 68.5 thousand, in 2017 - 56.7 thousand tons of cotton fiber and only 6.1 thousand tons of cotton yarn. This is only 10.7% of the cotton

fiber produced in 2017 but according to statistics, it is 4.5 times higher than in 2016 at the same time. In 2017, the production of finished silk fabrics was only 84 thousand m², which is 3.5 times more than in 2016¹.

Currently, due to the reduction of production of raw cotton in the region on the basis of the policy of diversification of agricultural production, cotton fiber production over the past 3 years decreased to 25.5%, seed production to 22.3% and cotton lint to 7%. Accordingly, in recent years, the growth rate of light industry in the region is due to the production of finished products - yarn, finished knitwear.

Launched in 2017, Uztex Uchkurgan spinning and weaving enterprise, which is part of the Uztex company, specializes in the production of modern cotton and mixed fiber yarn, down fabrics and finished products, which produced 16,5 thousand tons of yarn and 7 000 tons of downy fabrics per year. In 2018, the company plans to process 38% of the region's cotton fiber.

In the first 10 years after 2000 in the context of sustainable macroeconomic growth and modernization of the economy, the share of the regional food industry in GRP averaged 37.6%, an absolute increase of 3.2 times in 2006-2010. During this period, the share of the industry in the structure of consumer goods averaged 65.3%.

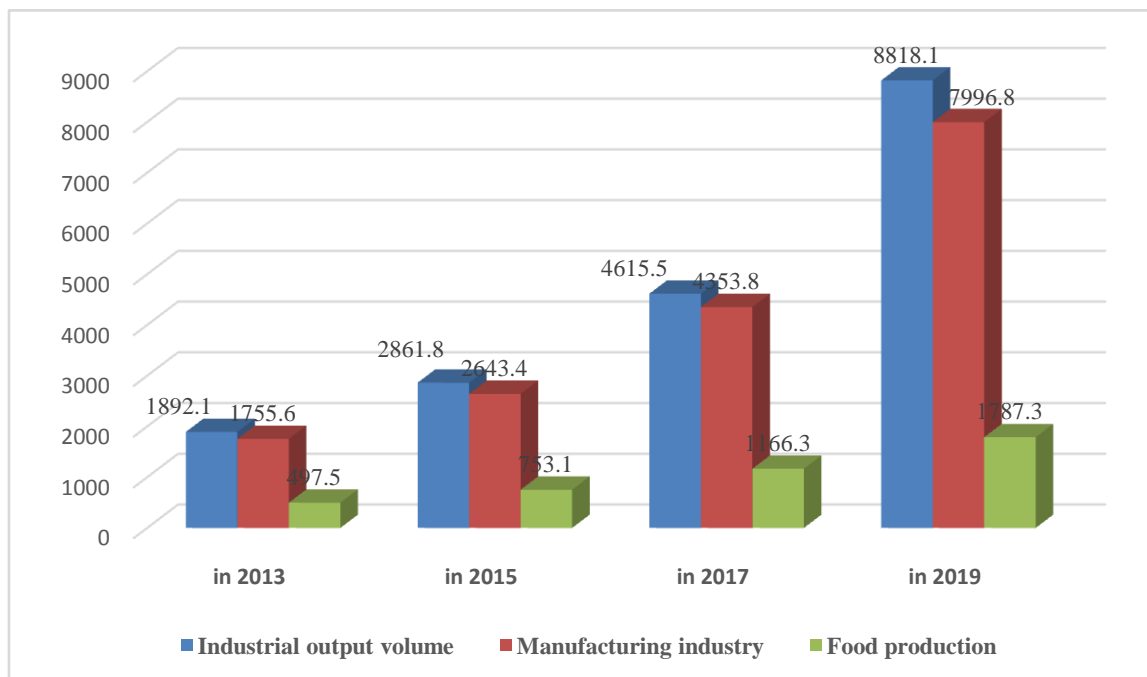


Figure 2. Production of industrial products by type of economic activity in Namangan region (in billion soums)²

In January-December 2019, regional enterprises produced industrial products worth 9,092.4 billion soums, and compared to the same period of last year, the industrial production index constituted 114.0%.

¹ Data of www.namstat.uz

² Data of www.namstat.uz

The main factor in the growth of total industrial production is an increase in the index of production volume in the manufacturing (recycling) industry by 15.0% as well as electricity, gas, steam supply and air conditioning by 11.0%.

The growth rate of food production in 2008-2017 remained stable, averaging 14.1%, while the share of the region in the gross industrial output averaged 38%. The diversification processes carried out in the industry are due to shortages of raw materials, which fell from 39% in 2013 to 35.7% in 2016, or 8.5%.

This is due, firstly, to the large-scale localization of production in the early 2000s, the modernization of industrial enterprises, the development of joint ventures and small business and private entrepreneurship, and secondly, to the declining trends in the activities of enterprises of industries such as chemicals, machinery and metalworking, construction materials.

The fact that the study of the issue focuses on the production of the food industry can be explained by the following:

First, the features of the territorial structure of industrial production in Namangan region. The share of Uchkurgan district for gross industrial output is 14.1%, 5.5% for Turakurgan district, Chust district's share is 4.3% and 3.4% for Kosonsoy district. Currently, the total number of industrial enterprises in Uchkurgan district is 94, in Turakurgan - 130, in Chust - 159 and in Kosonsoy district - 169.. It is noteworthy that the number of large industrial enterprises in all districts of this selection is 3. It can be seen that the volume of industrial production is primarily related to the sectoral specialization, not to the number of enterprises in the territorial units. Thus, 13.9% of industrial products in Kosonsoy, 12.4% in Turakurgan, 20.2% in Chust and 60.2% in Uchkurgan are part of the food industry complex.

Second, the level of opportunities for localization of industrial enterprises operating in the region. This indicator, in turn, is characterized primarily by the raw materials of food industry production, the development of the resource base, production capacity, quality indicators of labor resources. Namangan region has a total of 390.4 thousand hectares of arable land, including 152.6 thousand hectares of pastures and 199.0 thousand hectares of irrigated land. The area of existing orchards is 21.9 thousand hectares. The volume of gross agricultural output amounted to 4879.3 billion soums (2017), with an average annual growth of 5.7-6% over the last 10 years (but increased by 1.1% in 2017). The share of livestock in the gross agricultural output is 38.1%. The average yield was 50.3 c/ha in grain, 177.4 c/ha in potatoes, 228.5 c/ha in vegetables, 204 c/ha in melons, 59.4 c/ha in fruits and 67 c/ha in grapes.

The transformation of the Namangan Institute of Engineering and Economics into the Namangan Institute of Engineering and Technology in 2011 on the basis of a government decree creates an additional basis for the creation of a base of qualified labor resources in the field of food technology.

Third, the level of provision of industrial enterprises with consumer markets. It is known that the main consumer component of the food industry is households. Today, 2699.0 thousand people live in a total of 514 settlements in Namangan region. This is 8.3% of the country's population. In contrast to other regions of Uzbekistan, in Fergana region, taking into account the interconnectedness of regional and district fortifications, the density of the population and the proximity of Tashkent region, which forms a kind of "consumer pole" in the consumer market, the level of food market coverage is characterized by a positive character.

Fourth, the potential of the food industry in the export potential of the region's final products. As of 2017, the total exports of the region was 196.6 million US dollars. In the year of analysis, the share of food products exported in the region in total exports was 37.3%. In turn, the share of this sector in the structure of imported goods in the region was 14.1%¹.

The above comments not only show the prospects for the development of the food industry in the industrial complex of Namangan region, but also the need to establish regional restructuring relations in this sector.

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