



State Support is a Key to Increasing the Economic Efficiency of the Enterprise

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ABSTRACT

In the state considers the role of economic efficiency in the activities of enterprises, theoretical and methodological aspects of its development, as well as the importance of mechanisms of state support. Understands the nature and criteria of economic and social efficiency, as well as factors influencing efficiency.

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INTRODUCTION

The industrial sector is mainly provided by means of production, tools and foodstuffs produced by industrial enterprises. The economic development of any country depends on the level of development of its industry. Industry is the main branch of material production, the basis of the economy. Only large-scale mechanized industry, capable of rebuilding all branches of the national economy, can be the only material basis for economic development.

As the President of the country Sh.M. Mirziyoyev noted, as a result of structural transformations in the economy, the share of industry in GDP is expected to increase from 35% to 37% this year. However, in some cities and regions this very important issue is not given due attention. As a result, the share of industry in 27 districts of the country is less than 1% of the regional average. Therefore, it is necessary to develop medium-term and long-term industrial development programs in each district and city.¹

We know that the result of any economic activity is measured by the achieved performance indicators. In addition, production efficiency is the most important task of any enterprise. It represents qualitative and quantitative indicators of management, as well as the relationship between package and live labor costs and the results obtained. Therefore, in a market economy, i.e., in a competitive environment, the sustainable functioning of production enterprises depends on their efficiency. This is due to the fact that an inefficient enterprise will inevitably face a crisis. Thanks to efficiency and quality work, the company, firstly, ensures its economic stability and competitiveness in the market, secondly, improves its image and strengthens relations with partners, and thirdly, improves the economic and social situation of employees.

Исходя из вышеизложенного, можно сказать, что одним из наиболее актуальных вопросов на сегодняшний день является разработка научно-консультационных и практических предложений и государственной поддержки по повышению социально-экономической эффективности промышленных предприятий, обеспечению их конкурентоспособности и выпуску качественной промышленной продукции.

Literature review on the topic

Foreign and European economists M. I. Bukhalkov, V. P. Gruzinov, T. A. Slepneva, E. V. Yarkin, V. K. Sklyarenko, V. M. Prudnikov, N. A. Vasilyeva, T. A. Mateusz, M. G. Mironov, I. V. Sergeev, O. V. Baskakova, I. Babich, Drucker, V. Shepelev, D. V. Busygin, V. D. . Kamaev, I.N. Gerchikova, F. Knight, I.Kh. Tyunen, R. Cantilon, K. Bodo, I.Kh. Tyunen, Najtir, D.Gelbraith, E.V. Glushchenko, A.I. Kaptsov and others made a significant contribution to the development of entrepreneurship, having studied certain aspects of its types and forms.

Leading Uzbek scientists A. Ortikov, B. T. Abdukarimov, A. Abdukarimov, Kh. , In the scientific work of T. Shodiev and others, to some extent, the features of the development and efficiency of industrial enterprises have been studied.

Experience has shown that in a developing market economy, the economic strategy of the state, in addition to setting long-term fundamental goals, also includes means and ways to achieve these goals. Among them, the continuous improvement of production efficiency plays an important role.

Analysis and results

As you know, Decree of the Cabinet of Ministers dated December 9, 2020 No. 775 "On measures to further improve the system for assessing the effectiveness of the executive body of enterprises with state participation." It was also noted that in accordance with Article 79 of the Law "On Joint Stock Companies and Protection of Shareholders' Rights", the amount of remuneration paid to the director of the company, members of the board is directly related to the effectiveness of the Company's activities. In order to improve the system for evaluating the activities of the executive body of state enterprises, additional indicators have been introduced as important performance indicators.

¹ Sh.M. Mirziyoyev to members of the Senate and the Legislative Chamber of the Oliy Majlis on the results of the main work done in 2018 and the priorities of the socio-economic development of the Republic of Uzbekistan for 2019. T., 12/28/2018.

This ordinance provides for the following:

- Encouragement of members of the executive body is not allowed if the results of the activities of the executive body are not posted on the Agency's website or their activities are recognized as unsatisfactory or low;
- in case of high performance of state enterprises, including the executive body of commercial banks at the end of the year, their managers may be awarded a lump sum payment of up to 5 percent of net profit;
- regardless of the timing of the preparation and submission of financial statements, state-owned enterprises quarterly calculate and announce the implementation of key performance indicators.

This assessment system includes the following key performance indicators of enterprises: - forecast of net proceeds; - net profit forecast; - price drop; - localization; - does not depend on foreign currency; - investment program; - export; - commissioning of production facilities; - energy efficiency.

For evaluation purposes, each KPI is weighted to reflect its importance to the organization. DSC, State Statistics Committee, Ministry of Information Technologies and Communications, Ministry of Employment and Labor Relations, Ministry of Investments and Foreign Trade provide information on state-owned enterprises and legal entities in their system within a month, including balance sheets and financial statements. It was planned to complete the work on entering the information system "State property". Within two months, the task was to ensure the development of software for state enterprises, which would include information on important indicators of their activities online in the State Property information system.

At the same time, it was noted that by February 1, 2021, a system for calculating the share of state-owned enterprises in the economy, their GDP, export volumes, investments in fixed assets, their share in production and employment will be established. By March 1, 2021, state-owned enterprises have developed and approved documents and indicators aimed at ensuring the continuity of the enterprise's activities based on the best world practices and standards.

Registration of joint ventures and foreign enterprises in Uzbekistan To register enterprises with foreign capital, the authorized capital must be at least 75,000 US dollars and the share of a foreign legal entity in the total authorized capital must be at least 30%.

To create an enterprise with the participation of a foreign investor, you must complete the following tasks:

- development of a package of constituent documents or amendments to the documents of an existing enterprise (in the case of attracting investments in an existing enterprise).
- reserve the name of the company.
- notarized power of attorney for constituent documents.
- state registration or re-registration of a legal entity.
- preparation of the main seal and corner stamp, if required.
- conclusion of an agreement on banking services and opening of bank accounts. This is certainly necessary for businesses that are just starting out.

After the state registration of a newly created enterprise with the participation of a foreign investor, it acquires the status of a legal entity and the right to carry out activities. It is necessary to apply to the

"Single Window" center at the address of the Founder - a legal entity or the permanent place of residence of the founder - an individual. Starting from January 1, 2017, registration of business entities can be carried out via the Internet using a single portal of interactive public services for a comprehensive automated registration of business entities. These forms of state support provide practical assistance to enterprises.

The word *efficiency* is one of the most common general terms and is widely used in various areas of economic and social development. For example, the efficiency of social production, the efficiency of labor, the effectiveness of teaching and learning, the effectiveness of treatment and therapy, the effectiveness of adopted regulations and decisions, and so on. Efficiency is the "mirror" of industrial production. In this "mirror" you can see all the results of production. It is known that every industry, enterprise, as well as every person seeks to get the maximum benefit from their production activities. This entails certain costs for him. The difference between these benefits and costs is reflected in efficiency, which is the "mirror" of the network and the enterprise. The highest production *efficiency* lies in the minimization of production costs.

Efficiency is usefulness, efficiency. It is known that in order to get any result, you need to work, work, produce a product or service and spend a certain amount of money.

To determine effectiveness, the result should be compared with the costs or resources expended to achieve this result. Hence, efficiency is the ratio of the results of production activities to the labor, material and financial resources spent to achieve them.

There are economic and social efficiency of production. The division of efficiency into economic and social types is a conditional division. We can say that all the results that arise in the process of material production and are associated with labor costs are economic and, in a certain sense, socially useful.

Economic efficiency reflects the economic result of production. For example, production, management, introduction of new equipment and technologies, improving the quality of labor, and so on. An economically efficient quantity is achieved by saving material, labor, monetary and other resources, saving time, reducing construction time, saving labor costs, reducing labor losses, accelerating capital turnover, increasing production, improving the quality of work and other results.

Social efficiency is understood as the effectiveness of the implementation of activities that contribute to the comprehensive development of the individual. It is expressed in the improvement of working and living conditions, training of personnel and is characterized by an increase in per capita consumption of basic foodstuffs, industrial goods, benefits and benefits from public consumption funds, and training costs.

Considering that these effects arise in the production itself and the definition of relations between workers as a result of joint work, we can call them socio-economic effects.

The essence of economic efficiency is reflected in its system of criteria and indicators.

The question of criteria is the most important direction in the theory of economic efficiency. In the philosophical sense, the criterion is the main dimension, an important distinguishing feature, the main point of view. Only on this basis can we determine the objective truth, accuracy and reliability of our knowledge in a particular area, distinguishing truth from misunderstandings.

Another decisive way to increase the efficiency of industrial production is to accelerate the development of science and technology. The technical and technological factor provides at least two-thirds of the increase in labor productivity.

The role of the human factor in raising the socio-economic efficiency of industrial production to a high level is invaluable. Human initiative, energy, living creativity is a powerful force and the most important source of any development. That is why man is considered the main productive force of society. He creates all innovations, including new, advanced techniques and technologies, rationally organizes production, makes scientific and practical discoveries.

All means of production are set in motion by human labor, useful things are created. However, man is not only the main productive force, but also the subject of production and other social relations. Through these relationships, human activity is carried out. The direction and result of this activity depend on what thoughts, assumptions, goals, life orientations, aspirations, psychological beliefs the employee adheres to in his work.

Therefore, when analyzing the essence, significance and content of the human factor, it is necessary to talk not only about a person, but first of all about social qualities, motivating factors and interests determined by the entire system of social relations in which a person lives and works.

To introduce new equipment and technologies, it will be necessary to determine its economic and social efficiency. Therefore, based on the introduction of new equipment and technologies, it is necessary to determine which of the technical measures are useful for achieving high performance in the national economy, including industrial production.

The main groups of technical measures include:

- new and improved types and designs of machines and mechanisms, equipment and tools;
- new types of raw materials, fuel and energy;
- new and improved types of technological processes;
- improvement of chemical and physical properties, parameters and range of products;
- mechanization and automation of technological processes;
- modernization of equipment;
- creation of new types of buildings and structures;
- new and improved methods of labor organization and management;
- inventive and rationalization proposals.

It is necessary to speed up the development of science and technology, speed up the pace of production at enterprises, in sectors and intersectoral complexes, increase production volumes, improve its quality, and increase the profitability of production. This work can be carried out through the implementation of certain activities. The measures must be effective. Without its consideration and discussion, it will not be introduced into the production of scientific and technical measures.

Conclusions and offers

For the first time, our country received an international credit rating and successfully placed bonds worth \$1 billion on the world financial markets. The Organization for Economic Cooperation and Development (OECD) has raised the credit rating of Uzbekistan for the first time in 10 years.

Deep structural reforms have been launched in the energy, oil and gas, geological, transport, road, agriculture and water sectors, drinking water supply and heat supply, and a number of other industries. Modernization and competitiveness programs are being implemented in 12 leading industries. As a

result, economic growth last year was 5.6 percent. The volume of industrial production increased by 6.6%, export - by 28%. Our gold and foreign exchange reserves increased by \$2.2 billion in 2019 to \$28.6 billion. It is known that at different stages of economic development, the nature and content of technical development have their own characteristics. For example, as a result of the transition to a market economy, scientific and technological progress will focus not only on quantitative, but also on qualitative changes. In general, efficiency is associated with qualitative changes in the economy, which is fully realized in the development of science and technology.

In conclusion, we can say that the liberalization of industrial production and the deepening of reforms in this sector are the main directions for improving efficiency. The importance of state support in improving the economic efficiency of enterprises is great. Another decisive way to increase the efficiency of an enterprise's production is to accelerate the development of science and technology; the technical and technological factor provides at least two-thirds of the increase in labor productivity. It is also necessary to pay attention to state support in improving the economic efficiency of the enterprise.

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