Issues of Strengthening the Economic Security of the Region

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ABSTRACT
From a scientific, theoretical and practical point of view, the article reveals the issues of strengthening the economic security of the region, taking into account the tax potential. The results of scientific research in the field of strengthening the economic security of the region are summarized. The indicators of the development of Kashkadarya region are analyzed, on the basis of which conclusions concerning the problems of economic security are formed.

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Introduction. For the comprehensive development of the national economy, it is very important to achieve the necessary level of economic security, which involves taking into account the economic
potential of the state and optimizing the economic interests of the country's regions. This provides as the main goal of state policy in ensuring economic security its sustainable development and ensuring her height. The economic security of the regions is the observance of the conditions of their existence, relatively sustainable development and a high standard of living of the population of the territory, in which the export and raw materials component of the region should decrease, the innovative activity of organizations should increase, resource-saving technologies should develop. In addition, the formation of regional economic policy should take into account the specifics of the region. The strategy of economic security of a state involves constant monitoring of indicators of the state of each region and the country as a whole. The economic security of the region is considered as a combination of the current state, conditions and factors characterizing the stability and progressive development of the regional economy, a certain independence and integration with the economy of Uzbekistan [1].

Considering these issues of strengthening the economic security of the region is relevant in the present period of development of our republic.

**Literature analysis.** Economic security issues have been the subject of research by many scientists. In particular, it is classified and described by foreign scientists as risks and dangers affecting the economic security of the region. They conducted research on the economic security index and examined the factors affecting the economic security of the regions.[2] N.M. Kalinina describes the economic security of the region as an alternative system that provides protection for a particular region in the field of economics, which protects against illegal destructive effects (from the risk of threats) and makes it possible to carry out internal and external reproduction of the economy of this region.[3] V.V. Karpov and A.A. Korableva note that economic security is the state of the region's economy, ensuring the economic independence of the region from external factors, stable, sustainable, continuous development and growth of the region's economy. [4] A.M.Novak in his research analyzes the economic security of the regions of Ukraine and gives a classification of factors affecting the economic security of the regions. [5]

In addition, academician L. I. Abalkin believed that "economic security is a state of the economic system that allows it to develop dynamically, effectively and solve social problems and in which the state can form and implement an independent economic policy" [6, p. 5]. From the point of view of S. Yu. Glazyev's "Economic security is the state of the economy and the productive forces of society in terms of the possibilities of independently ensuring sustainable socio-economic development of the country, maintaining the necessary level of state security, as well as the appropriate level of competitiveness of the economy in global competition" [7].

As for the economic security of the region, it is influenced by many factors. These factors are economic, social, innovative, institutional and global in nature. In addition, economic independence, stability and sustainability of the regional economy and the ability to self-development and progress can be distinguished in the structure of the economic security of the region. The structure of the formation of socio-economic security of regions should be a complex of economic, environmental, legal, geopolitical and other conditions. This, in turn, should ensure the protection of the interests of the country and its territories in relation to the resource potential, the stability of the financial situation of the country, the creation of internal and external protection from possible negative impacts. In addition, the competitiveness of regions in domestic and world markets, the development of regional infrastructure and the promotion of enterprises, associations, regional financial and industrial groups and complexes should also be ensured. [8].

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Thus, the economic security of the region is a combination of the current state of conditions and factors that characterize stability, sustainability of the development of the economic territory, a certain independence and interaction with the economy of the country.

**Research methodology.** When writing this article, the method of expert evaluation was used, which made it possible to generalize the concepts of "economic security", the method of comparative analysis and statistical research methods. The use of these methods made it possible to determine the current situation in Uzbekistan and Kashkadarya region. In addition, methods of verbal interpretation, statistical observations, induction and deduction were used.

**Analysis and results.** Based on these views, we can say that regional economic security is a set of indicators that characterize the state of economic development of the region, the elimination of factors that negatively affect the economic development of regions, the degree of protection of economic sectors from negative external effects. Ensuring regional economic security involves assessing the impacts on the economy of the region and the necessary measures to reduce their negative impact.

The economic development of Uzbekistan after independence was aimed at creating favorable conditions for economic growth and increasing the investment attractiveness of the regions. With this in mind, measures were taken to improve the territorial organization of the economy, which made it possible to overcome the raw materials orientation, form the production and technological base and smooth out the imbalances in the socio-economic development of the regions. It should be noted that each of the main indicators of economic security is associated with the assessment of threats and the crisis situation in a particular area of the economy, indicators of the level of threats to economic security are used as thresholds for economic security. They characterize the marginal values, ignoring which hinders the normal development of the economy and social sphere and leads to the formation of destructive trends in the field of production and living standards of the population.

Ensuring economic security in the regions of Uzbekistan provides for the need to identify the necessary set of indicators of the state of economic security of investment goods at the level of industries and regions, taking into account the specifics of their use, and to clarify the parameters of the threshold values of these indicators.

The peculiarity of the system of indicators of economic security at the country level is: this is the use of indicators "gross domestic product (GDP), and at the regional level is the use of indicators "gross regional product (GRP) in current prices per capita", or "GRP growth rates as a percentage of the same period last year", or "the share of new types of products in total output as a percentage", etc. Let's consider the change in GDP and GRP indicators for Uzbekistan and its regions.

One of the main indicators of economic security is the gross domestic (regional) product of the region and its volume per capita. According to the indicators of GRP as one of the main indicators of the level of ensuring economic security of the regions, it makes it possible to draw a conclusion about the degree of existing conditions in the regions due to the conditions of a market economy in which the key priority of the socio-economic development of the country is diversification, involving the reduction of dependence on raw materials, the development of industries with a high share of added value and the development of high-tech industries.

If we pay attention to statistical data, then in 2021 the economy of Uzbekistan reached record growth rates, despite the continuation of the pandemic, the persistence of increased turbulence in the global economy. The country's GDP grew by 7.4% at the end of the year. The external situation for Uzbekistan as a whole was positive in 2021: after the shocks of 2020, the world economy moved to recovery. In
2021, the volume of gross domestic product (GDP) of Uzbekistan at current prices amounted to 734.6 trillion soums, of which 418.9 trillion soums accounted for goods, 262.5 trillion for services, another 53.2 trillion were taxes. When calculated in US dollars at the average exchange rate, nominal GDP amounted to $69,235 million. It grew by $9.3 billion compared to 2020 — then it was $59,885 million. GDP per capita amounted to 21.04 million soums ($1983). This indicator grew by 5.3% after a slight decline in 2020. The World Bank confirms the economic growth of Uzbekistan, but gives a more modest estimate — 6.2%. [9]. In Kashkadarya region in 2021, the volume of gross regional product (GRP) was 43,833.3 billion. sum, the growth rate compared to 2020 is 107.6%, the share of GRP created in the region in the country's GDP is 6.0% and ranks 6th, and the volume of GRP per capita was 12,999.6 thousand soums (12th place among the regions), which is 105.6% more than in 2020. [10]. According to the results of the first quarter of 2022, the volume of gross regional product in Kashkadarya region amounted to 8360.5 billion. sum, the growth rate compared to the corresponding period of 2021 was 103.2% (13th place among the regions of the republic in terms of growth rates). The share of GRP created in the region amounted to 5.1% of the country's GDP (5.4% in the first quarter of 2021) and ranked 6th. The volume of GRP per capita amounted to 2,447.6 thousand soums (11th place among the regions), which is 101.0% more than in the first quarter of 2021.

The main task for ensuring sustainable economic growth is to increase labor productivity. Labor productivity characterizes the effectiveness of labor. At the macro level, it is measured by the volume of products produced by an employee over a certain period of time. The labor productivity index is the most important indicator of economic security.

Increasing the efficiency of foreign economic cooperation, as well as the realization of competitive advantages of export-oriented industries also enhances economic security. The excess of exports over imports shows how effectively foreign trade is carried out in the region, and the share of innovative goods in total exports shows efficiency the use of the scientific potential of the region and the entrepreneurship of organizations. In 2021, Uzbekistan managed to return to positive dynamics in foreign trade. The volume of foreign trade turnover increased by 16% and reached $ 42.1 billion, exports increased by 10% to $ 16.6 billion, imports by 20% to $ 25.5 billion. The trade balance was negative in the amount of $8.9 billion. The increase in exports is mainly due to a serious increase in the supply of textiles and clothing abroad by 1.5 times ($2.9 billion), non-ferrous metals and products made of them by 1.6 times (1.5 billion), machinery and equipment by 1.6 times (0.7 billion dollars), chemical products by 1.4 times (1.2 billion dollars), services by 1.3 times (2.5 billion dollars). Gold exports decreased by almost 30% compared to 2020, and its share in total exports decreased from 38.4% to 28.7%. Imports show a significant increase in food supplies by 35% ($2.9 billion), chemical products by 24% ($4.3 billion), ferrous metals and products made from them by 35% ($2 billion), energy and petroleum products by 39% ($1.5 billion), services by 42% ($1.7 billion). If we consider what is typical for the economy of Kashkadarya region, the foreign trade turnover amounted to 661.9 million US dollars, which is 122.1% more than in 2020. The share of the region's foreign trade turnover in the total volume of foreign trade turnover is 1.6% (10th place among the regions). In 2021, the share of exports in foreign trade turnover is 270.5 million US dollars, which is 138.4% more than in 2020, and the volume of imports was 391.4 million US dollars, which is 112.9% more than in 2020. In the structure of foreign trade turnover, the share of exports was 40.2%, and the share of imports was 59.8%. The share of exports and imports in the region is 1.5% in the Republic. In the first quarter of 2022, foreign trade turnover amounted to $146.8 million, which is 159.9% more than in the first quarter of 2021. The share of the region's foreign trade turnover in the total volume of the country's foreign trade turnover was 1.1% (12th place among the regions). The share of exports and imports in foreign trade turnover was
equal (from $73.4 million). The share of exports and imports in the region was 1.3% and 1.0% in the country, respectively.

Investments in fixed assets are of great importance when assessing economic security by the state. Investments include a set of costs aimed at the reproduction of fixed assets, i.e. the costs of new construction, expansion, as well as reconstruction and modernization of facilities. Investments in machinery, equipment, vehicles – the cost of purchasing machinery, vehicles, equipment, inventory, as well as the cost of installing equipment.

Investments in fixed assets in Uzbekistan in 2021 increased by 5.2%, the increase is noted in terms of non-centralized investments by 7.4% mainly due to foreign direct investment and loans by 18.4%. There is also an increase in investments at the expense of the population by 4.5%. Meanwhile, investments by enterprises decreased by 3.6%. Centralized investments decreased by 3.6%, due to a sharp decrease in the attraction of foreign investment and loans guaranteed by the government - by more than 30%. At the same time, there is an increase in investments from the budget, which increased by 36%. In general, by the end of 2021, the trend continued to decrease the share of centralized investments in the total volume of investments in fixed assets from 19.9% to 18.3%, and, accordingly, the share of non-centralized investments increased.

And in Kashkadarya region, the volume of investment in fixed assets amounted to 16225.1 billion soums and the share in the republic was 6.6% (6th place among the regions). The volume of investment in fixed assets per capita is 4811.9 thousand soums. In the first quarter of 2022, the volume of investments in fixed assets amounted to 3668.2 billion soums (121.5% in the first quarter of 2021) with the share of the region in the republic of 7.3% (4th place among the regions). The volume of investment in fixed assets per capita amounted to 1073.9 thousand soums (118.9% compared to the first quarter of 2021) and ranked 7th among the regions.

Economic crime will also have an impact on economic security. Its influence is connected with the system of its indicators, which include the level and quality of life, the rate of inflation, the rate of unemployment, economic growth, public debt, the state of gold and foreign exchange reserves, the activities of the shadow economy, the state of the environment.

The shadow economy is one of the main threats to the country's economy. It seriously reduces budget revenues, creates unfair competition in the market, foreign investors are distrustful of the domestic market as an object of investment.

Therefore, the state uses various methods and tools to combat the shadow economy.

While ensuring economic security, it is necessary to strengthen food security. In 2021, Uzbekistan ranked 78th among 113 countries in terms of the availability, availability, quality and safety of food, as well as natural resources and sustainability. Uzbekistan has retained its place in the group of countries with a moderate level of food security. Due to improved access to market data and mobile banking, the number of mobile users increased from 75.9 people to 101.2 people per 100 inhabitants, and due to tariffs on agricultural imports, the weighted average import tariff in agriculture improved from 19.1% to 11.4%. This allowed Uzbekistan to improve its position by 15 points in the category of "Economic accessibility".

According to the category "Natural resources and sustainability", the improvement is 19 positions. But despite this, the risks in the field of water resources for Uzbekistan are the highest, and improvement of this indicator is possible only by reducing the total annual water intake, for which it is necessary to
reduce water losses at all stages. It should also take into account the proportion of the population below the poverty line (% of the population with an income of less than $ 3.20 per day according to PPP), changes in the average cost of food, strengthening measures to prevent unjustified price increases and revision of import tariffs for food products.

The main directions of Uzbekistan’s tax and customs policy are also important for strengthening economic security. The main directions in this area for 2022 provide for the continuation of work on the abolition of inefficient tax and customs benefits.

As for the state budget revenues, it is projected in 2022 with a slight increase in the total tax burden.

![Graph showing tax burden and state budget revenues in 2020-2022](image)

1-Drawing. Tax burden and state budget revenues in 2020-2022

When strengthening economic security, it is very important to study public opinion about the formation of state and local budget expenditures, as this reduces the degree of the shadow economy and economic crime. With this in mind, we present table 1

<table>
<thead>
<tr>
<th>Regions</th>
<th>Total, bln soums</th>
<th>Share in the total volume, in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Uzbekistan</td>
<td>1 553</td>
<td>100</td>
</tr>
<tr>
<td>Kashkadarya Region</td>
<td>142</td>
<td>9.14</td>
</tr>
</tbody>
</table>

As can be seen from the data of Kashkadarya region, the share for 2022 will be 9.14%. Inter-budgetary transfers, i.e. funds transferred from the republican budget of the Republic of Uzbekistan to the budget of the Kashkadarya region and back, are also very necessary for strengthening the economic security of the region.

Table 2. Forecast of revenues, expenditures and equalizing inter-budgetary transfers of the Kashkadarya region budget, forecast for 2022, billion soums.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Income</th>
<th>Expenditure</th>
<th>Leveling inter-budget transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kashkadarya Region</td>
<td>3 483,0</td>
<td>5 534,3</td>
<td>2 051,3</td>
</tr>
<tr>
<td>Republic of Uzbekistan</td>
<td>43 033,2</td>
<td>57 148,7</td>
<td>14 115,6</td>
</tr>
</tbody>
</table>
As can be seen from the table in the Kashkadarya region, revenues are projected to be 3,483.0 billion sum, and expenses 5,534.3 billion sum, taking into account inter-budget transfers in the amount of 2,051.3 billion soums. In the Republic, these figures amount to 43,033.2 billion sum, 57,148.7 billion sum and 14,115.6 billion soums.

Conclusions and suggestions. Based on the scientific and theoretical views outlined above, the following conclusions were formed to address issues of strengthening the economic security of Uzbekistan, in particular the Kashkadarya region:

- Regional economic security is a set of indicators that characterize the state of economic development of the region, the degree of elimination of factors that negatively affect the economic development of regions, the protection of economic sectors from external shocks. Ensuring regional economic security involves assessing the impacts on the regional economy and taking the necessary measures to reduce their impact (negative impact).

- The transition from an export-raw materials economy to an innovative one as a way to overcome the dependence of the well-being of regions on the availability of natural resources. Creation of new innovation-oriented energy-efficient and resource-saving industries, breakthrough technologies based on the "knowledge economy".

- A significant reduction in poverty and socio-economic inequality by creating a stable middle class while reducing the proportion of the population with incomes below the subsistence minimum.

- It is also important to take into account public opinion on the distribution of expenditures of the state budget and local budgets to reduce economic crime and the share of the shadow economy in the country's GDP and the GRP of the regions.

Used literature.


