

**THE ESSENCE AND DEVELOPMENT OF DOMESTIC TRADE AS A
SECTORAL ECONOMIC SYSTEM**

Oripova Gulirano Nodirovna

*PhD student of Institute of Advanced Training
and Statistical Research*

Tel: +998(97) 718 12 08

e-mail: grahmatova1996@mail.ru

ABSTRACT: The article touches on development trends of internal trade as the most important economic sector of the country in the conditions of market relations, current state thereof, problems and perspectives of functioning, which eventually affects as living standards of the population, as the production of goods and services, where destabilizing of the situation in the internal market may lead to a serious threat to the national security of the state.

KEYWORDS: internal trade, market economy, quality of goods, social support, consumer market, retail network

Although dominated by state-owned stores and distribution channels under the Soviet economy, retailing has seen a marked shift toward private business. Since 1992, thousands of small businesses have been privatized or leased to worker collectives, with the most progress in retail trade, consumer services, public catering, and local industry. However, the shift from state-control to a free market economy continues to move at a very slow pace. Urban markets provide an important outlet for the sale of vegetables and other foodstuffs. Government restrictions on trade and foreign investment have hindered the economy. Black market trade is still available.

The latest economic and social trends in the process of forming a post-industrial society put a person at the center of ongoing transformations as their primary condition and ultimate goal. The impact of the state on human development is also significantly enhanced as a result of the active involvement of business and civil society organizations in the development and implementation of social policy, and structures of the non-profit sector in the socio-cultural services of the population. In modern conditions, the social policy of the state is undergoing a particularly profound restructuring, since the low efficiency of existing models of state social support and assistance to the population is revealed.

The fundamental changes that have taken place in the Uzbekistann economy since the beginning of the reforms are closely related to the development of trade. It was in trade that the revival of entrepreneurship began, the formation of free economic initiative, the denationalization of enterprises, their privatization. The private sector has taken a dominant place in trade, more than 95% of trade turnover is accounted for

by non-state trading enterprises. The ongoing integration in trade has made it possible to increase the number of jobs tenfold and provide jobs for released workers from other sectors of the economy. Trade has become the most important branch of the country's economy. Retail trade accounts for 18.5% of the number of people employed in the economy, its gross value added is about 20% of the total GVA. Trade is an effective branch of the country's economy, the state and efficiency of which directly affect both the standard of living of the population and the development of the production of consumer goods and services.

The growth of the purchasing power of the population has a positive effect on the structure of retail trade turnover. The share of non-food products in retail trade turnover, which is one of the indicators of the quality of life of the population, has maintained its level since 2010. In 2014, compared to 2013, it increased from 53.8% to 54.3% [3]. At the same time, this indicator cannot be considered affirmative due to the fact that since March 2014, the United States, together with the European Union, have imposed several packages of sanctions against Moscow, and this has affected the appreciation of the dollar, and when purchasing imports of certain food products - and retail prices.

During the period of market relations, many large retail chains, including foreign ones, appeared on the consumer market. It is integration that has become today the response of domestic trading enterprises to increased competition from foreign networks. The share of chain stores is particularly high among specialty stores. The largest share of chain stores falls on specialized manufactured goods stores [2].

However, it should be noted that, despite the development of domestic retail chains in the market conditions, they are less competitive than large foreign chains. The retail network of Uzbekistan has not yet reached the level of the developed countries of the world both in terms of the number of retail spaces per 1000 inhabitants and in terms of quality.

The entry of international retail chains into the regional markets of the Uzbekistan Federation is ambiguous. On the one hand, the formation of domestic and the arrival of international networks with powerful financial, material and technical resources allows us to introduce modern systems for working with suppliers and buyers, increase the degree of centralization of logistics and distribution functions, reduce the number and tighten work with suppliers, significantly improve the quality of service, expand the range of goods sold, and reduce retail prices. On the other hand, their appearance leads to the monopolization of the consumer market, to the dictate of conditions, to the simultaneous closure or bankruptcy of independent stores, small local retail chains, which is accompanied by the release of sales workers, social tension, disruption of economic ties, often a decrease in deductions to local budgets and social needs [2].

In wholesale trade, there have been recent trends of declining sales. The reduction in the share of wholesale trade volume is primarily due to the accelerated development of large retail companies, department stores, chain stores, online stores and the expansion of warehouse space to provide commercial products for their network trade.

The main technologies for the development and strengthening of retail chains are establishing direct contacts with manufacturers of goods, diversifying trade formats, investing in branding and marketing research, creating an effective consumer market management system to better meet the demand for goods and services. In connection with the formation of new economic relations, priorities for the development of a socially oriented retail service network for low-income categories of citizens should be outlined, the number of discount stores should be increased, all social groups of the population should be provided with goods in territorial accessibility, targeted programs for the development of a retail network have been created.

It should be emphasized the importance of introducing a complex of interrelated trade and technological operations for mechanization and automation of loading and unloading operations, equipping trade organizations with lifting vehicles, packing small goods into larger packaging, which makes it possible to deliver products directly from the receiving site with the use and application of packaging equipment to the sales floor for sale. All this makes it possible to significantly improve the resource potential of trade, its material and technical base and, due to the growth of turnover, profits, innovative solutions, to constantly update their fixed assets.

In the pre-perestroika period, budgetary funds for the development of trade were allocated on a residual basis, even Moscow department stores and grocery stores were sometimes built for years due to lack of funds.

There were not enough funds to purchase the missing goods for import supplies to meet the needs of the population. In this regard, there were cases of interruptions in the supply of certain groups of food (livestock products) and other separate groups of non-food products.

In no country in the world does market relations exist outside the participation of the state. Of course, it does not have the character of direct pressure, but exists as a regulator, directing commercial or economic activities in one direction or another and putting them in a certain framework.

Currently, trade and services do not meet the requirements of a civilized market, and it is necessary to take certain measures to ensure legal protection of the entrepreneur and the buyer in equal measures. The market economy has never existed and cannot exist in its pure form, outside of society and separately from the state. It cannot function normally without active actions on the part of the State, which is the guarantor of human rights, his security and well-being.

The key mistake made by the state in the course of reforming economic relations in Uzbekistan was the haphazard transition to market relations without appropriate discussion and its fundamental transition period. As a result, the shortcomings of the legal framework, dubious competition, poor quality of functioning of market relations, etc. were revealed.

The development of market relations in Uzbekistan shows that one of the most difficult problems is the relationship between the state and the market.

With the manifestation of various forms of ownership, including private ownership, a competitive environment has been created as a basis for competitive struggle. In order to survive, enterprises of different forms of ownership, sometimes placed in unequal conditions for various reasons, are forced to deviate from established norms and rules, thereby pursuing selfish narrow professional interests. So, some industrial enterprises, despite the free prices, have found ways to extract additional income by freezing fresh fish, meat, etc. with the use of ice glaze. This practice allows you to increase the net and at the same time hide what is under the ice crust, i.e. the quality of products. Or take, for example, canned fish and meat, which are allegedly produced in accordance with GOST, thereby attracting the attention of the buyer. GOST is also the Soviet quality standard, which was the most severe in the whole world; no country in the world had such strict requirements for the quality of the product. But now they write everything on the packaging, and this inscription does not always correspond to reality.

Control over the quality of goods, compliance with the rules of trade in our country has a long tradition, rooted in the Peter the Great era. It was then that the first decrees appeared aimed at regulating spontaneous trade, protecting consumer rights from unscrupulous traders. It is a curious fact that it was during the transition period to a market economy that state control lost its significance. It is extremely necessary in Uzbekistan, and there are plenty of examples of its necessity. I will cite only one of them - this is a continuous check by the prosecutor's office of trade enterprises for the validity of pricing of separately significant food products. In this regard, citizens and the media have a question: "Is there no one else?". The Uzbekistann experience of market relations and the practice of economically developed countries of the world speak of the need for state regulation in the consumer market. However, the Union of Entrepreneurs of Uzbekistan could also take responsibility for control and be a conductor not only for the protection of entrepreneurs, but also for the protection of the population, as is the case in foreign practice.

Most of the subjects of trading activity are focused on making a quick profit "today and now", not relying on economic laws. As a result, the principle of "I will buy at the lowest price and of low quality - I will sell more expensive", without any hesitation of conscience, investing appropriate funds in the development of a trading

enterprise, which creates tension in consumer behavior. The unsystematic introduction of market mechanisms and unprepared commodity-money relations in Uzbekistan inevitably led to the emergence of a "wild" rather than a sufficiently civilized market adapted to the world system. As a result, many commercial structures went into the shadows, which affected both product quality and pricing policy, bringing profitability to the highest levels. As a result, product quality and pricing policy are practically uncontrolled and subject to unscrupulous traders.

In many industrial countries, maintaining retail prices means a practice in which long-term contracts of the manufacturer (supplier) and the buyer fix articles on the inadmissibility of unilaterally raising prices. This happens for goods that are in steady demand and have clearly defined features. One of the main features is the disinterest in inflating prices, as this constrains the sale of products.

Among the food products imported, the falsification of products and services by the quality of assortment accessories and prices has become widespread. Certain food products are dangerous to human health. At the same time, in the pre-perestroika period, the supply of goods by import was strictly regulated by the state and there were no rejections on the quality of goods. The quality of imported products met the requirements of GOST. The current situation is primarily due to the lack of control over the supply of goods by import; a similar situation is developing with domestic products, since such competitive conditions simply do not imply producing high-quality products.

The development of the consumer market requires a significant increase in the number of employees in the field of trade and services, and in this regard, the requirements for the quality of personnel support for this process are increasing.

At the same time, the staffing of the consumer market is characterized by the presence of serious problems caused mainly by the change in the country's system of economic relations and market transformations.

Despite the fact that the share of specialists with higher education in the trading system is steadily increasing, the quality of their activities is decreasing. The consumer almost does not always have the opportunity to receive qualified advice. A sociological survey conducted by specialists of universities on the assessment of the practice of training and advanced training revealed the need for senior and middle managers to obtain additional knowledge in specific areas of practical activity. These include:

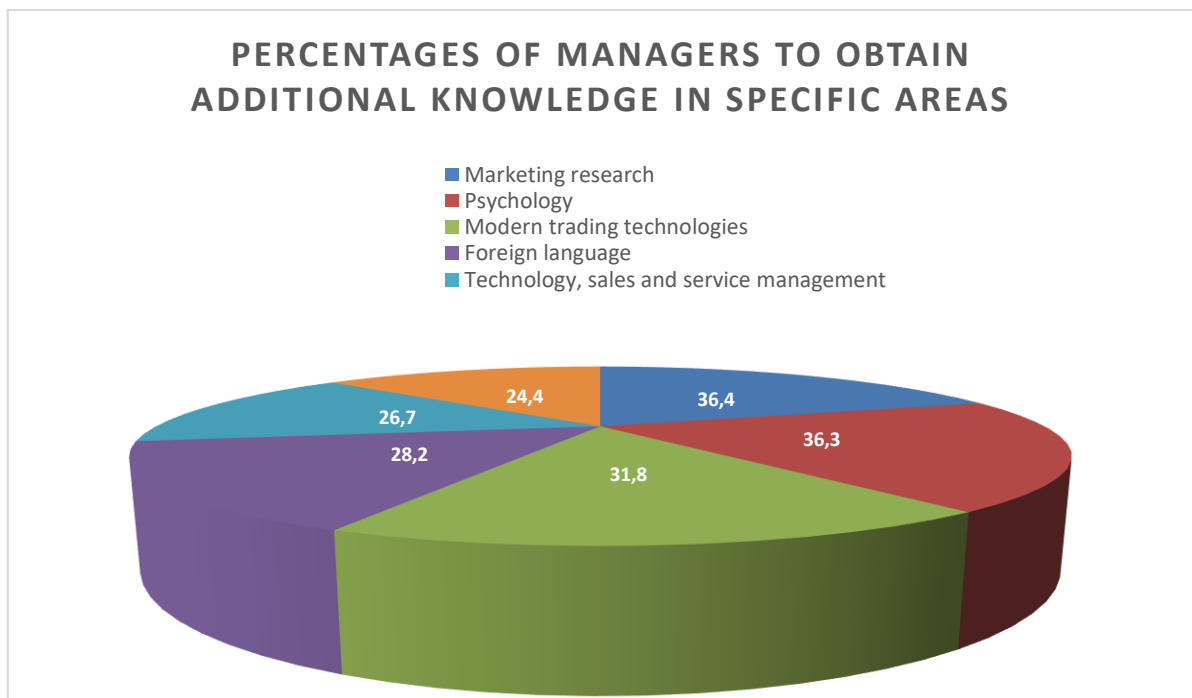


Figure 1. Specific areas of managers should obtain additional knowledge with percentages

The analysis of the answers shows that the first two places, almost equal in importance, are occupied by the problems associated with conducting marketing research at small businesses, as well as the relevance of business communication between managers.

This distribution characterizes the dynamism of relations with the subjects of the market environment, the need for managers to conduct daily business negotiations with suppliers, consumers, authorities, etc.

Radical transformation in personnel retraining is necessary at the present stage, the process of forming economic managers and the mechanism of managing this process are objectively set by the laws of social development and in each concrete historical period should be adequate to the requirements.

Progressive ideas on the regulation of personnel policy have always been expressed. But not every time they listened to them. And those who used to be "at the big and small helm" for managing an economic entity, and those who now offer solutions to the aggravated personnel problems, and even those who ignored this urgent problem for Uzbekistan, have become, so to speak, like-minded people. The consumer market is the most important strategic part of the Uzbekistann economic system. The grossest violations in the consumer market pose a threat to healthy economic relations.

Therefore, it is necessary to create a system of conditions that would allow both the consumer and the entrepreneur to feel protected, a system in which every member of society would be sure that his life, health, property, honor and freedom are not in danger. At the same time, we proceed from the fact that criminological security of the

consumer market is a social phenomenon that requires the intervention of state bodies to protect the rights and freedoms of consumers and entrepreneurs. In our opinion, there is a need to create, for example, the Ministry of Trade of Uzbekistan with the function of regulating domestic and foreign trade in order to study in depth the state of affairs in the economy, personnel policy, tracking the ongoing processes of making appropriate decisions at the state level, achieving effective development of the trade industry in all aspects of its activities.

In conclusion, it can be concluded that the underestimation by state bodies of the role of regulating economic relations in the consumer market, as a rule, leads to destabilization not only of social aggravation, but also of the political situation as a whole (for example, February, October 1917, 1921, 1991 and 1993). Therefore, destabilization of the situation in domestic trade can be considered it as one of the serious threats to the national security of the state.

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