

IMPROVEMENT OF ECONOMIC, ORGANIZATIONAL AND LEGAL MECHANISMS OF MARKET DEVELOPMENT IN UZBEKISTAN

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Abstract

The article examines the state of the insurance market and the existing problems in our country, as well as the need to liberalize insurance relations in the development of this market.

Keywords: insurance activity, insurance market, authorized capital, minimum requirements, insurance control, insurance market development agency.

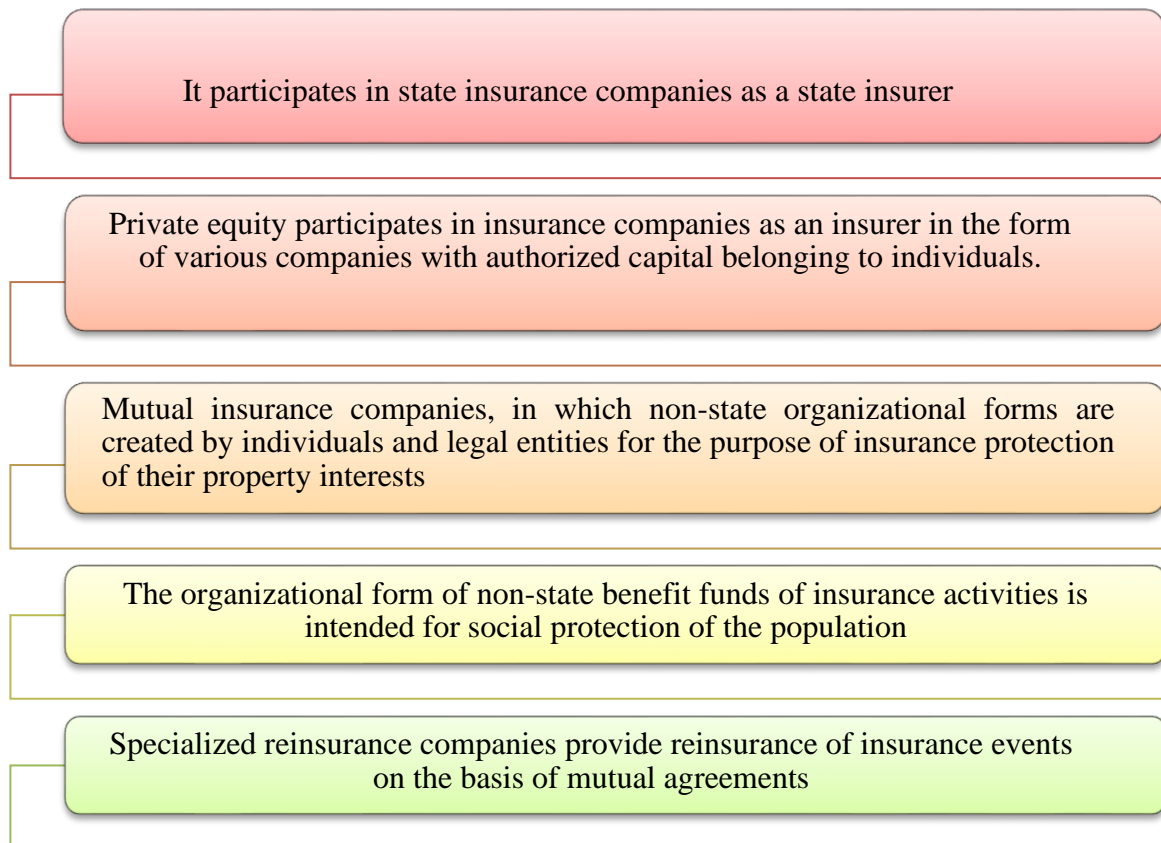
Introduction

Today, sharp changes in the world market situation, increasing competition in the context of globalization require the development and implementation of a completely new approach and principles for the development of our country at a more stable and rapid pace. In the third direction of the Strategy of Actions on the Five Priority Areas of Development of the Republic of Uzbekistan in 2017-2021, adopted in our country, several tasks were defined to further strengthen macroeconomic stability and maintain high economic growth rates. One of them is to expand the volume of insurance and leasing and other financial services by introducing new types of them and improving their quality, as well as attracting capital and financial institutions and is the development of the stock market as an alternative source for the deployment of free resources of the population[1].

Insurance activity is an integral part of the economic infrastructure on the one hand, it provides social guarantee, on the other hand, it also undertakes the protection of the interests of economic entities based on the warning of various insurance risks through the mechanism of contractual obligations and tariffs.

In our country, there are always risks in the process of the formation and development of market relations, the high level of economic independence and freedom of economic subjects. Insurance deals with the special service of re-distribution of risks that may harm their interests and is constantly recurring. The upper limit of the price of the insurance service is determined by the volume of demand and the amount of bank interest. When there is a sufficient demand for a certain type of insurance service, the insurance organization can maintain the price of this service at a high level. However, over time, with the increase in the types of insurance services on the market, the tariff rates will automatically decrease. [8].





5 types of insurance companies operate according to their organizational form (Figure 1).

Picture 1. Description of insurance companies by organizational form

The insurance market is divided into international, regional and national insurance markets depending on the territorial location. The national insurance market includes insurance institutions and their activities on the territory of any country. The largest national insurance market in the world is the United States of America.

More than 43 percent of the insurance revenue collected in economically developed countries is accounted for by the United States. More than 2,600 life insurance companies and 3,800 other general insurance companies operate here. Some of them are leading in the world insurance market. For example, the company "Prudential of America" took the first place in the country's domestic market, and in the beginning of 1992, it took the third place in terms of assets and collected insurance premiums.

Resolution No. 413 of the Cabinet of Ministers of the Republic of Uzbekistan dated November 27, 2002 was an important innovation in insurance activity. For the first time, minimum amounts were set for the authorized capital of insurers. The regulation on the licensing of insurance activities of insurers and insurance brokers, the classification of insurance activities was approved.

According to the Resolution of the President of the Republic of Uzbekistan No. PQ-1544 of 2014, the amount of the requirement for the authorized capital of insurance companies was determined.



1-table Requirements for the minimum amount of the authorized fund of insurance companies in Uzbekistan

Types of insurance activities	01.01.2008 per year, thousand US dollars	01.01.2010 per year, thousand euros equivalently	From 01.07.2012, equivalent to one thousand euros	01.07.2014 per year, equivalent to one thousand euros	01.07.2018 from billion
General insurance	500	750	1125	1500	7,5
Life insurance	750	1000	1500	2000	10
Compulsory insurance	1000	1500	2250	3000	15
Reinsurance	3000	3000	4000	5000	30

This decision was an important document for the further development of the insurance market, strengthening competition, creating modern and new types of insurance activities, strengthening the financial stability of insurers, expanding their regional networks, and improving the forms of insurance control.

Decree of the President of the Republic of Uzbekistan adopted in order to further reform the national insurance market and ensure its rapid development, introduce new types of insurance services in high demand, and increase consumer confidence in the insurance market. On August 2, 2019, "On measures to reform the insurance market of the Republic of Uzbekistan and ensure its rapid development" PQ-4412, the minimum amount of the authorized fund of insurance companies in our country is set requirements have changed.

In May 2019, at the nineteenth plenary session of the Senate of the Oliy Majlis of the Republic of Uzbekistan, the Chairman of the Senate N. Yoldoshev (at that time) spoke about the shortcomings in the insurance market and expressed his opinion [5]:

"Due to loopholes in the legislation, the coldness and inattention of the heads of some ministries and agencies, billions of funds are being diverted without being involved in the development of the country's economy. "law" did not meet the modern requirements of the insurance market.

2-table Minimum amounts of authorized capital for insurers (reinsurers), billion soums

T/ r	Types of insurance activities	From July 1, 2020	From July 1, 2022
1	Voluntary insurance in the general insurance or life insurance network	15	20
2	Compulsory insurance in the general insurance or life insurance network	25	35
3	Reinsurance only	35	45



The insurance market, where 10,200 professional participants operate, is "supervised" by the insurance control inspection under the Ministry of Finance, which employs only 6 employees. not able to. In most cases, he is only involved in summarizing relevant reports. As a result, the country's insurance market is almost out of control. And this happens only to some insurance organizations and their leaders who work for their own interests."

It is known that in world practice, the experience of forming reinsurance organizations by consolidating several insurance organizations in the country into groups, societies or associations in the insurance of large risks was established as early as the 19th century. In our country, this important mechanism is still not used.

Various obstacles and restrictions in legal documents do not allow effective use of these funds, including their attraction to the authorized capital of insurance companies. In a word, outdated norms, differences, confusion and other shortcomings in legal documents have closed the doors of prospects for these companies.

Another pain point in the insurance sector is related to human resources. Today, only 32% of industry workers have higher and 30% secondary specialized education. Moreover, most of them are non-insurance professionals. Many such problems have a negative impact on the share of the insurance market in the country's gross domestic product.

At the current stage of reforms, active development of financial services aimed at ensuring stable growth of the economy, increasing the quality and level of the population's life, strengthening the role of the insurance market in the republic

and requires wide use of insurance tools, in this regard, President Sh. Mirziyoyev expressed the following opinion at a meeting on the development of the insurance services market: We need a structure that will create a truly competitive environment among all participants and develop the insurance market"[6].

Therefore, the State Inspectorate of Insurance Control under the Ministry of Finance was abolished and the Insurance Market Development Agency was established. Also, the task was set to develop a strategy for the medium and long-term development of the insurance sector, to increase the volume of insurance premiums per capita by 3 times, and the share of the sector in the GDP by 2 times by 2022.

3-table Target indicators of rapid development of the insurance market of the Republic of Uzbekistan in 2019-2022

T/r	Ko'rsatkichlar nomi	2018 y.	2019 y.	2020 y.	2021 y.	2022 y.	O'sishi, barobar
1.	Sug'urta xizmatlarining YAIMdagi ulushi (foiz)	0,4	0,5	0,6	0,7	0,8	2
2.	Aholi jon boshiga sug'urta mukofotining miqdori (min gso'm)	50,0	65,0	88,0	114,0	148,0	3

3.	Jami sug'urta mukofotlarining hajmi (trln so'm)	1,6	2,1	2,9	3,8	5,2	3,3
4.	Sug'urta tashkilotlarining jami ustav kapitali (trln so'm)	0,5	0,8	0,9	1,0	1,2	2,4
5.	Sug'urta tashkilotlarining jami aktivlari (trln so'm)	2,5	3,0	3,6	4,3	5,2	2,1
6.	Sug'urta tashkilotlarining jami investitsiyalari (trln so'm)	2,0	2,5	3,3	4,1	5,3	2,7
7.	Sug'urta xizmatlari turlarining soni (birlik)	105	115	135	155	175	1,7
8.	Hududiy bo'linmalar soni (birlik)	1 450	1 500	1 580	1 660	1 740	1,2

As a result of studying the issues of insurance market development in our country, the following conclusions were formed:

First, although the national insurance market of our country is developing relatively quickly, today it cannot fully meet the world's requirements.

Secondly, the majority of the population who use and can use insurance services do not have complete information about insurance. However, the increase in demand for this type of insurance contributes significantly to the improvement of the financial situation of the insured and the insured. In order for legal entities to provide insurance, first of all, they need trust. Correct information for individuals. The fact that the information is correct and complete will attract them to the correct and targeted use of insurance. To implement this process, the insurance market requires qualified specialists. Most employees working in insurance companies are not insurance experts. An employee of one department does not have information about the activities and work of another department employee. Agents have the same problem. As a result, as a result of the incomplete and correct delivery of insurance services to the person who wants to be insured, there is a decrease in the demand for insurance and lack of trust in the activity.

In order to overcome the problems mentioned above, the following suggestions can be made: First of all, one of the most important and main factors to bring the insurance market of our country to the level of developed countries is the introduction of mutual insurance in Uzbekistan based on the experience of foreign countries, and the use of the initiative of the state in this is an urgent issue of today in the field of insurance. We believe that in order to introduce mutual insurance in the country, first of all, it is necessary to establish its legal support, to provide privileges and preferences related to this sector in order to develop mutual insurance.

In such a case, mutual insurance as a separate form of insurance develops in parallel with commercial insurance and increases the material well-being of citizens while attracting a large



number of potential policyholders to insurance, and is related to their entrepreneurial activity. serves as an important factor in guaranteeing risks, and in the stable operation of enterprises and organizations. Secondly, for the development of insurance activities, advertising insurance services on a large scale will give effective results. Providing information about insurance services and their benefits on the most popular social networks: Telegram, Instagram and other social networks. For example, by opening a Telegram channel for insurance services and sending information about it to other channels, it is possible to subscribe to the insurance channel and regularly inform the population about the news of insurance activities.

Platforms have been in use since the 1960s, especially in the information technology industry. In 1964, IBM introduced the common hardware and operating system on its computers. Consequently, users were able to add hardware and software without having to rewrite complex programs to obtain these additional capabilities. A pioneer in the field, IBM dominated the computer industry for nearly two decades.

Later in the 1980s, the development of microprocessors by Intel and the near-universal operating system by Microsoft gave a huge boost to the development of rugged yet highly efficient and versatile personal computers. Soon, a whole new field of hardware and software developers emerged. In the 1990s and 2000s, the Internet led to a quantum leap in the development of the platform economy. Over the course of a decade, Internet platforms have connected large numbers of PC users to a wide range of websites and online applications [1]. Since 2000, many different digital platforms have emerged around the world to serve as mechanisms for connecting parties to interact online. The growth of digital platforms mainly depends on their ability to collect, process, transmit, store and analyze data, as well as monetize services based on user interests and behavior.

The analysis showed that the majority of companies using digital platforms are located in North America and Asia, with the share of European companies being significantly low. In Figure 1.1. countries with the largest share of technology companies are presented.

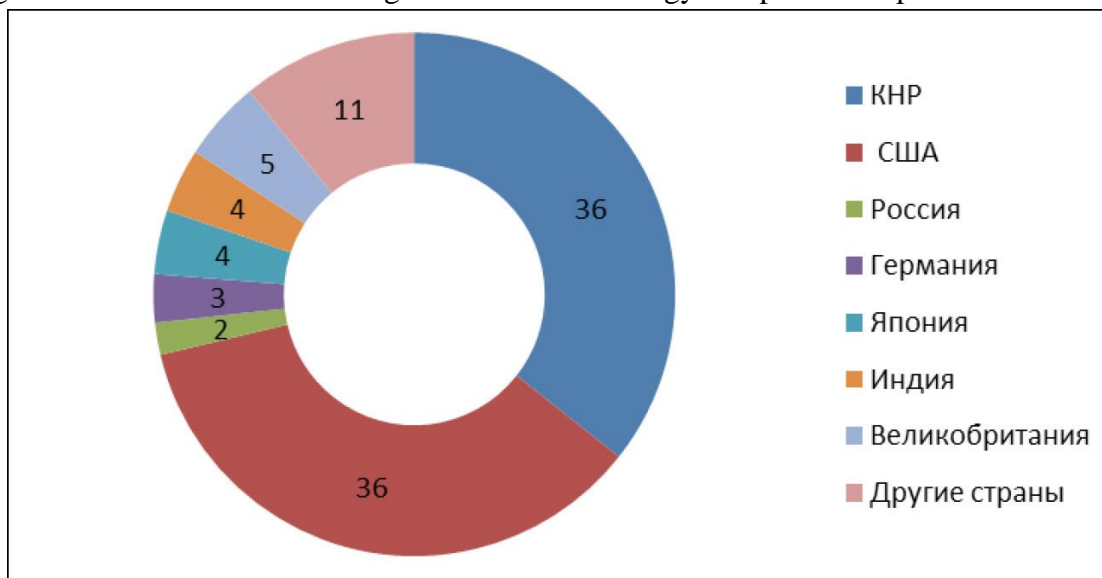


Figure 2 - Distribution of platform companies by country, % [2]



Platform companies have been the largest companies in the world by market capitalization for decades. These companies actively use platform solutions in their activities, which affects the growth of their profitability. If in 2008 only one platform company, Microsoft, was included in the top ten most valuable companies, ten years later seven similar companies became leaders in the ranking.

An impressive example of growth among non-American CPUs was shown by the Chinese platform WeChat (Tencent Holdings) - 22 times, with 50 million people. in 2011 to 1.1 billion people. in 2018 (CAGR – 56%) [6].

Monopolization of platforms and their replacement of traditional market players due to the use of network effects and non-standard pricing policies by platforms are of serious concern to governments and scientific and expert communities in different countries. At the same time, as practice shows, active oligopolistic competition often develops between platforms, fueled by rapid technological progress.

Many platform giants of the last decade (Windows, MySpace, Nokia, Blackberry) were quickly displaced from their leadership positions by “newcomer” platforms (Apple, Google, Facebook). [7].

Thus, despite the current absence of obvious risks of displacement of the world's existing platform giants from their leadership positions, permanent market dominance is not guaranteed to any platform due to rapid and unpredictable technological changes.

Several global firms in the United States as well as China account for 90% of the market capitalization of the world's 70 largest digital platforms. Europe's share is 4%, and the share of Africa and Latin America combined is 1%. The seven super platforms, namely Microsoft, followed by Apple, Amazon.com, Alphabet (Google's parent company), Facebook, Tencent Holdings and Alibaba, account for two-thirds of the total market cost [8].

The analysis of digital platforms existing in the world allows us to divide them, depending on their purpose, into the following types.

1. Operating systems for personal computers: Windows, Unix/Linux, MacOS, RAIDIX, KasperskyOS; Uzbek platform Doppix.
2. Mobile OS: Apple iOS, Android, Windows Phone, Sailfish OS.
3. Educational platforms: Edx.org, Coursera.org, Udacity.com, Universarium.org, Stepik.org, Eduson.tv; Uzbek platforms: My Dars, Kundalik.com, Onlinedu.uz, Uzbekcoders.uz.
4. Internet browsers: Chrome, Firefox, Microsoft Edge, Safari, Opera, Yandex.Browser, Sputnik, Amigo, Rambler, Orbitum.
5. Video platforms: Youtube.com, Vimeo.com, MetaCafe.com, Rutube.ru, Yandex.Video, Ivi.ru, Mail.Ru Video.
6. Search engines: Google.com, Bing.com, Baidu.com, Yahoo.com, Yandex.ru, Rambler.ru, Mail.ru, Sputnik.ru; Uzbek platforms: Search.uz, Borku.uz.
7. E-commerce platforms: Amazon.com, Aliexpress.com, eBay.com, Etsy.com, Ozon.ru, Yandex.Market, Auto.ru, Ticketland.ru; Uzbekistan platforms: Olx.uz, Glotr.uz, Olcha.uz, Tovar.uz, Zoodmall.uz, Bulavka.uz, Sello.uz, Unisavdo.uz, Rozetka.uz,
8. Platforms for passenger transportation: Uber.com, Lyft.com, Blablacar.com; Russian platforms: Yandex.Taxi, City-mobil.ru, Rentmania.com; Uzbek platform Perevozka24.uz.



9. Social networks: Facebook.com, Twitter.com, Instagram.com, LinkedIn.com, Vk.com, Odnoklassniki.ru; Uzbek platform UzTvit.

10. Messengers: WhatsApp, Telegram, WeChat, Skype, TamTam, Avirton, Mail.Ru Agent, Firechat; Uzbek platform Humo.

12. Job search platforms: Job.com, CareerBuilder.com, Indeed.com, Upwork.com, Hh.ru, Superjob.ru, Career.ru, YouDo.ru, Fl.ru; Uzbekistan platforms: Myjob.uz, Uzjobs.uz, Jobhunt.uz, Ishkop.uz.

13. Platforms for the provision of public services: Gov.uk, Dta.gov.au, Gosuslugi.ru, Mos.ru; Uzbekistan platform my.gov.uz.

14. Platforms for tourism and travel: Tripadvisor.com, Skyscanner.net, Kayak.com, Travelata.ru, Tourvisor.ru, Aviasales.ru, Trip.ru; Uzbekistan platforms: Online-tourism.uz, Aviasales.uz.

15. Housing rental platforms: AirBnB.com, HomeAway.com, Hostelworld.com, Cian.ru, Domofond.ru, Yandex.Real Estate; Uzbekistan platforms: Uybor.uz, Dom.uz, Shahar.uz.

In today's rapidly changing world, there are changes in working conditions and people's behavior. The life of a modern person has been tightly integrated with the Internet. Due to some circumstances, most citizens spend a lot of time on digital platforms, including social networks. In this regard, business entities and financial organizations must offer their goods and services in places where potential customers are located. Platforms with a clear promotion and development strategy will have a greater chance of success.

Digital platforms today are the driver of the development of entire industries, becoming an important component of the digital economy. Despite the high importance of using digital platforms, in Uzbekistan the national market for platform solutions is poorly developed and is at the formation stage.

The market of digital platforms in Uzbekistan today includes such foreign companies as Yandex (dozens of services), Mail.ru, Ozon, AliExpress, Google, Facebook, Lamoda, etc., between which there is strong competition.

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