



Foreign Experience in the Development of Private Forms of Management

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Abstract

This paper discusses the foreign experience in the development of private forms of management in Uzbekistan. The formation of forms of ownership, as a rule, is a long process in terms of finding effective forms of management. Ownership of property is rather the legal side of the problem, and the organization of management is rather not only about solving economic problems, but at the same time it is a solution to social problems, since people work in order to earn money and satisfy the vital needs of workers.

Keywords: *Management; GDP; CIS; The US Basic Law; Husbandman*

Introduction

The process of formation of ownership, first of all, is reflected in the methods of management, since the nature and content of ownership serves as the basis for developing management decisions and developing management principles. For example, a private form of ownership has the peculiarity when the owner alone makes management decisions. However, this does not guarantee against mistakes or wrong decisions at all, since the correctness of decision-making does not depend on the ownership of the property.

Ownership, in particular the private form, provides only a comparative freedom of decision-making, and also ensures the independence of economic methods. Hence, in order to ensure effective methods of managing, the owner will have to use a set of methods of labor organization and management that have been proven in practice. In this case, the owner can use hired labor, collective or other forms of organization of production, and marketing of products.

The Main Findings and Results

The organization of work is at the same time a psychological state, since during work, as a result of communication with employers and other employees, a person is both in a state of emotions and in anticipation of a positive attitude. A person experiences joy, fatigue and various fluctuations of feelings from labor, which is also a reflection of belonging to property.

Private property, quickly adapting in many countries. Therefore, the pace of economic growth has also accelerated, because economic performance is a special criterion for certain forms of ownership, including private ownership, on which the degree of people's confidence in the ongoing reforms depends [1]. In the formation of the private sector of the economy, the development of informal employment of the population is of great importance, which, for various reasons, continues to be a little-studied problem of economic science. At the same time, the problem of "informal employment" today is inherent not only in economically underdeveloped countries, but also in developed countries with a classical market economy.

For example, in developed countries such as the United States, England, France and Canada, output from all types of informal activities is up to 3-5 % [2]. When taken as GDP, in Italy it is up to 30 % "non-State forms of economic activity" it is important to emphasize that in terms of scale of production, impact on the economy and coverage of the population these forms with a reasonable approach will play a special role in solving particularly important problems of development of the country, and such a sector is more necessary than ever in a market environment.

Studies have shown that the development of the private sector in agriculture in the new economic environment as a practical implementation of real development of agriculture and achieving food self-sufficiency, requires, first of all, theoretical development. Broad recognition and implementation of the fact that the agrarian sector today needs a new development of the theory and practice of a multi-structural agrarian economy.

Achieving economic growth, ensuring the country's food security, raising the level and life expectancy of the population of the republic, strengthening the foundations of the Tajik statehood. Creation of favorable conditions for the development of business and agribusiness, entrepreneurial activity, the creation of diversified small, medium and joint ventures, husbandman enterprises, the development of trade, the creation of a competitive environment, including an effectively transparent political climate. "Economic growth in business-friendly jurisdictions (such as Venice, Genoa, Florence, Antwerp, Nuremberg, Holland, England and Prussia) was", writes F. M. Urumova, "a positive example of the financial situation of the law-abiding behavior of their rulers, in while absolute monarchies ruling over larger and more enclosed spaces [3] (Spain, Russia and Austria) began to lag behind in economic development. Thus, entrepreneurs voted at night, leaving unfavorable territories for business, and demonstrated what was later called "location substitution" in the literature [3].

An interesting idea about the role of creating the legal basis for the development of various forms of ownership, economy of various countries is given in his monograph by F.M.Urumov, who also has a direct connection with Tajikistan. For example, F.M. Urumova writes about the role of the US Constitution in the development of European countries: "The secondary branch of European development was the constitution created by the United States of America, formulated by the "founding fathers", well acquainted with the concept of the possibility of exit. The US Basic Law was created in an open debate about institutions that support the "search for happiness". The American Constitution, with its explicit provision for the legal and constitutional rules of a free society, has become a model for subsequent reformers in a number of countries, becoming a major source of economic prosperity for American society. All this suggests that there is an awareness that the private sector is an effective way to guarantee

new economic growth [3], because freedom and prosperity can only be created in a conscious way, as demonstrated by many countries of the world (Japan, China, Germany, Thailand, Singapore, etc.).

Therefore, the main factor in the development of the economy is not its closure, but its openness not from the closure of the economy to international trade and investment and the reduction in the number of imported goods, but the openness and increase in trade within the limits of permissibility, suppressing the rich diversity of the market. Therefore, one of the channels for the formation of a market economy and the preservation of its dignity is to find new mechanisms for coordinating the country's economic life through the development of the private sector.

World experience of economic growth in open, market-coordinated economies since 1960 has demonstrated the private autonomy of secure property rights and the coordinating power of competitive markets. Economies closed to international trade and the movement of factors of production grew more slowly. Closed economies, having less experience of traditional market institutions, ignored the need to reform the institutional structure. In our opinion, in this context, it is necessary to touch upon the problem of the economic success of neighboring countries, which created conditions for attracting entrepreneurial capital, knowledge and demonstrated the benefits of economic reform, which had a powerful educational impact on them. The apparent success of open economies has increased the chances of institutional reform in lagging countries. The transition from an administratively planned economy to a market economy objectively requires the formation of various forms of ownership, types of economy in the structure of the economic complex of the republic, including agriculture, adequate to the market economy system. Without such values, the effective functioning of the national economy, including the agricultural economy, is impossible [4, p. 320]. How this will happen in transition countries, where Tajikistan is no exception, depends both on historical and national features, and on the features of the choice of a national economic model with a socially efficient structure. In our opinion, the composition and structure of the private sector should be such that they work for the benefit of the people in the economic interests of the country. In any case, new types of ownership and types of farms included in agriculture should be predictable, transparent and forward-looking.

The private sector is a form of work and production, a special factor in everyday life. In contrast to the functioning of “pre-market forms of ownership” and types of economy, the private sector, as a special element of the market economy, should work efficiently and stably in comparison with the alternative.

It is not the estimation of observers and theorists that matters, but the estimation underlying the achievement of life expectancy of the population, saturation of markets with goods, with “national mark” made specific forms of ownership, forms of economy, families, associations, companies, private producers. Like any single institution, the private sector is not static. This is a slow and, in places, fast-moving and changing process, depending on changes in the economy itself, in society at large.

International experience shows that the best argument for the development of the private sector in the structure of the economic complex of the country is the transition to a mixed, multifaceted economy. All conditions have been created for the development of the latter.

First, the country's transition to a market economy continues, which cannot function normally with the old forms of labour and production in its structure.

Secondly, there is a real process of transition to a mixed - multifaceted economy, the economic basis of which is the process of formation and development of various forms of ownership and forms of management.

It is in this context that the structural factor plays a special role, which continues to be a little-developed and little-studied problem, both from a theoretical and practical standpoint. Therefore, defining the composition and structure of the private sector in the current context should be a key issue for the development of the country as a whole. It determines which issues should be the first: whether to move to new economic growth across market agriculture.

The studies found that the accumulated experience of private sector development does not allow to evaluate and even more to predict all the problems arising in the way of its development and to justify their solutions. In this connection, it is of great scientific and practical interest to study the experience of the development of the private sector in agriculture in other countries, especially the CIS countries.

The agricultural sector in developed market countries is largely composed of small-scale family farming. For example, in the United Kingdom the average farm area is 65.1 hectares, in Denmark 30.7 hectares, in Luxembourg 28.6 hectares, in France 27.1 hectares, in Germany 16.0 hectares, in Belgium 14.1 hectares, in the Netherlands 14.3 hectares, in Italy 5.6 hectares and in Greece 4.3 hectares [5, p. 24]. It should be borne in mind that, with significant differences in the natural climatic conditions of different countries, comparing family farms by size does not give a real picture of the size of these farms. Therefore, in the EU countries, the European size unit (ESU) of 1200 ECU is used to determine the size of family farms. Agricultural holdings account for 44 per cent, 29 per cent and 27 per cent respectively.

For the 12 EU countries as a whole, small-scale farmers account for 84 per cent of the total, indicating that in developed countries the agricultural sector is mostly composed of small-scale farmers. It should be noted, however, that large farms in these countries, while small in number, produce the bulk of the gross 49 agricultural products.

In the United States, large farms account for 48.8% of the gross income of the industry, accounting for 4.1%. At the same time, smallholders account for only 51.2 per cent of US agricultural production. US small and medium-sized farms, together accounting for 72% of the total number of farms, own 29% of the arable land, own 31% of all agricultural machinery, 44% of the agricultural workers, and produce only 11 per cent of agricultural commodities [6, pp. 540-542]. Therefore, large-scale production is always more efficient than small-scale production. It is no coincidence that small-scale farms are being consolidated all over the world.

In Germany, the number of small farms has decreased by a factor of 4.4 over the past 42 years, while the number of large farms has increased by a factor of 2.2. In the Netherlands, farm size increased 2.6 times over 38 years. In the US, 2% of the country's large wage-earning farms supply - 42% of all goods. Farms with a land size of 2.7 thousand hectares, receive 118 dollars of commodity production per 100 dollars of capital, or 7 times more than on farms with an area of 168 hectares. Therefore, there has been a downward trend in the number of small and medium-sized family farms in developed countries. Thus, while the US had a total of 2,064,000 farms in 2014, the US Congress predicts a decrease of 1 million, and 50,000 large farms will give 75% of U.S agricultural production.

At the same time, studying the experience of foreign countries with developed economies has shown that it is impossible to mechanically transfer their conditions to the practice of Uzbekistan for a number of serious reasons.

Firstly, it has historically been the case that more than 60 per cent of the population lives in rural Uzbekistan at a time when the reverse is true in developed countries, where more of the population is concentrated in urban areas.

Second, the technical equipment of agriculture in developed countries is ten times higher than in the republic. This means that most agricultural work is mechanized and automated.

The technological sophistication of labor continues to grow in a new quality, that is, on the way to the introduction of information technology in management and the transition to the digital economy. This direction significantly changes the perception of rural labour, which is increasingly attracted by nature to industrial labour. Not accidentally, therefore, more and more in this industry is used robotics, sorting, packaging and primary processing of agricultural raw materials. The experience of family farming in developed countries shows that non-agricultural income plays a significant role.

For example, in 2018, US household farm income from agriculture averaged \$5,809 per farm and \$37,531 from non-farm income. Income from non-agricultural activities is used to cover losses arising from agricultural activities.

In the EU, 23 per cent of farms derive most of their income from non-farm activities.

In Germany, 38% of farmers have sources of income outside agriculture. In the Netherlands, for example, there are more than 130 cooperatives.

It is typical for peasants in Holland that they are simultaneously members of three or four cooperatives - credit, supply, service, production and marketing.

The zone of the republic, with its fast-growing labor resources, rich natural potential, the proximity of mountain and valley zones to each other and to urban markets, and a strategy of promising road construction, driven by sovereignty and independence. It is inexcusable to miss the chance of real development of various forms of cooperative activity. Another important trend is the unification and cooperation of the cooperatives themselves.

In the same Holland the company “Sebeko” unites 73 local supply cooperatives, has its own production base, a network of warehouses and workshops throughout the country. The company delivers everything necessary to the Dutch peasant to the doorstep of the house.

The network of production cooperatives (there are more than 100 of them in the Netherlands) buys from peasants their products, processes, packs, puts the brand and goes with it to domestic and international markets, usually bypassing.

Therefore, studying the accumulated valuable world experience and its application in us, taking into account our capabilities and peculiarities in the development of various forms of activity, the cooperative movement, can become a new and reliable sector of the national economy, a factor in the establishment of effective work, and the various regional-zonal forms of ownership available - a significant contribution to the sustainable development of the Republic's zone. It follows from the experience of family farms in developed countries that, in the conditions of our republic, it is necessary to develop non-agricultural activities in rural areas in order to provide employment and improve the living standards of the rural population.

Looking at the experience of agricultural development in the US and other countries, it should be noted that in this industry monthly incomes of members of family farms compared to the incomes of workers in other branches of the economy are half as small and natural. Agricultural labour is not attractive, but needs government support for agriculture is therefore ongoing in all developed countries.

In Germany, rural subsidies account for 12.7 per cent of GDP, in Denmark 17.7 per cent, in the United Kingdom 27.2 per cent, in Japan 36.7 per cent, in the United States agricultural subsidies per Russia 4.8 per cent, and in some European countries they reach up to \$501 [7].

For many years, the government made direct purchases of agricultural products in the years when there was overproduction, entailing a decline in prices. The surplus was channelled into a variety of

programmes: school feeding and nutrition for low-income groups, and support for food-deficit countries. Over time, the US has moved from direct support for agricultural commodity prices to price stabilization projects. The most common of these was a project called the non-return loan. In the years when the market was set low prices for agricultural products, at the beginning of the harvesting period.

If the market price was below the target, the difference between them was paid to farmers from the federal budget. If the market price was higher than the target, farmers sold their products on their own. The programme enabled the State to relieve itself of the costs associated with the transport, storage and marketing of agricultural products, but did not solve the problem of finding money to pay the difference between target and market prices.

For farmers, the programme was more onerous than the terms of the non-repayable loan programme, which continued, but on a smaller scale. Guaranteed and targeted prices were set by the Government at a lower level than in the previous decade.

There are currently three basic programs in the United States - direct payments, direct cyclical payments, and credit payments (countercyclical program payments, loaned efficiency payments).

All are designed for corn, soy, wheat, rice, sorghum, barley, oats, peanuts and some other crops. Direct payments are fixed payments that do not depend on the price level of a particular agricultural product on the market.

Conclusion

The amount of money provided to a farmer under this programme is calculated by multiplying the base price for a crop by the basic yield (both are set by the federal government) by the area of the crop (calculated by special method) and technical coefficient (0.85).

However, the development of the private sector has led to a radical change in the structure of agricultural employment. Husbandmen have emerged as an alternative to large-scale State and cooperative enterprises. The number of so-called commodity farms, especially consumer farms of the population, has grown rapidly as a special feature of a multi-dimensional economy. All this made it possible for the Republic's economy to move from an administrative non-market economy to a market economy based on the diversity of forms of ownership.

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