

## The Role of Modernization of Economic Sectors in Increasing Economic Efficiency

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**Abstract:** The article examines the processes related to the role and importance of economic efficiency in a market economy. Economic approaches to the study of the scientific and theoretical foundations of economic efficiency are systematized. Opportunities and factors to increase economic efficiency in industrial enterprises are assessed. The ratio of the efficiency of the use of raw materials and basic materials used in production to the volume of products produced was analyzed. Scientific proposals and practical recommendations aimed at increasing economic efficiency through the modernization of economic sectors have been formed.

**Keywords:** market economy, economic efficiency, labor efficiency, social production, efficiency ratio, net economic efficiency, enterprise profitability, material capacity of the product.

### INTRODUCTION

In the context of a developing market economy, the economic strategy of the state, in addition to setting long-term fundamental goals, also includes the means and ways to achieve these goals. Among them, the continuous improvement of production efficiency is of paramount importance. Strengthening the power of the state, fully satisfying the needs of the population in material and spiritual goods, and in the future - to create them in abundance, to be among the most developed countries in the field of economics and science and technology. directly related to the increase.

One of the main conditions for the emergence and development of any form of management in a particular socio-economic system is determined by its level of efficiency. Effective management is one of the main factors determining the viability and development of the economy in a competitive market environment. At the same time, the economic resources used in the production process (land, capital, labor, etc.) are of a limited nature, which requires their efficient use as much as possible.

In a market economy, production efficiency is more important than meeting the above needs to meet the growing needs of the population. Effective performance means, in essence, obtaining the intended profit, reducing all production costs, eliminating various losses, making better use of production capacity and manpower, increasing labor efficiency, improving the quality of manufactured products. This concept is extremely important for the national economy, for every enterprise and organization.

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Therefore, it is important to understand the essence of the concepts of "efficiency" and "effectiveness".

Like many concepts in economics, there is much debate about the economic nature of these concepts, all of which express the same essence in different forms. Until now, many economists have tried to define the concepts of "efficiency" and "effectiveness". In taking this definition, they took into account the enormous economic and social importance of "efficiency" and "effectiveness". However, The processes related to the role of modernization of economic sectors in increasing economic efficiency have not been studied, and the study of the scientific and theoretical basis of this issue is of great importance.

## LITERATURE REVIEW

"Economic efficiency" is a useful result. Economic efficiency is the result of saving material, labor, money and other resources, saving time, reducing construction time, reducing labor costs, reducing time losses, accelerating the turnover of working capital, improving quality, increasing production. "Economic efficiency can be defined by natural, labor and value indicators - quantitative and qualitative indicators."

Economists TLBezrukova, ANBorisov, IIShanin in their research "Economic efficiency covers all stages of social production, is the basis for building quantitative and qualitative criteria of enterprise activity, is used to form the material-structural, functional and system characteristics of extended reproduction processes. It is acknowledged that the category of efficiency has such ugly features as integrity, dynamism, multidimensionality and interdependence of its various aspects "[1]. According to MVPolinskaya's research, "Production efficiency is a complex and multifaceted concept. The efficiency of agricultural production is an economic category in which efficiency is reflected in one of the most important aspects of social production. The essence of production efficiency is to spend the least amount of money on the purpose of production. One of the main tasks in the modern conditions of transition to market relations is to study the laws and trends in the development of agricultural production in the system of agro-industrial complex, to identify reserves to increase its efficiency "[2]. I.Yu. Grishin in his research states that "Efficiency is a goal-oriented complex operational feature in the management of the system, its operations differ from all other processes by the presence of a goal, the efficiency indicator should reflect the degree of purposefulness of the operation.

RAXusanov, T.Yu.Dadaboev and D.Yu.Dadaboev said, "Samara is the result of one or another activity in agriculture. Economic efficiency is the end result of the use of the means of production and live labor, the result of total investment. "[4] OP Umurzakov, AJToshboev, AAToshboev: "Economic efficiency is the result obtained through the use of means of production and live labor, or the result obtained per unit of total resources. In the analysis of the efficiency of production on the farm can be used indicators that reflect the effective use of fixed and working capital, which are the main resources (factors) of production "[5].

In our view, it has not been recognized in the above research that the concept of economic efficiency has a broader meaning than the concept of efficiency. Economic efficiency is the cost associated with the activities carried out during a year (a certain period), compared to the amount of net profit received as a result. Then the higher the amount of net profit received at the expense of expenses, the higher the level of economic efficiency, and vice versa.

The research process used methods such as system analysis, induction and deduction, logical and comparative analysis, statistical and factor analysis grouping, monographic research, abstract-logical thinking, prospective forecasting.

Based on the above definitions, today is a comparison of production results with costs in describing efficiency. Economic efficiency is the ratio of the achieved production results, products, services to the means of production and labor costs. This indicator is a key indicator of economic development. This figure should also be linked to the market and the situation in it. Economic efficiency can be determined by the amount of goods (services) produced and the volume of products sold in the market as a result of the costs incurred by the enterprise, labor costs, labor tools and items. This is because if an enterprise achieves high labor productivity, it will improve its quality, but if the product it produces is not sold well in the market, this does not lead to any efficiency. Therefore, we recommend calculating the efficiency taking into account the market.

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of production, improving product quality, efficient use of resources, increasing labor productivity and other results are all reflected in market activities. turns out. If an enterprise manages to increase its market share and increase sales, it will definitely get economic benefits.

The economic efficiency of enterprises and organizations consists of the efficiency of the economy. Therefore, when analyzing the gross regional product in the region, the activities of all manufacturing enterprises in the region are analyzed. Which enterprises contributed the most, which ones contributed to the decline in the gross regional product of the region with inefficient activities. As a result, there was a subsidy in the province. To overcome this situation, enterprises and organizations of all forms of ownership in the region should try to increase efficiency.

In contrast to pure economic efficiency, there are also concepts of social and socio-economic efficiency. Socio-economic efficiency characterizes the efficiency of production, taking into account the working conditions, the enrichment of its creative content, the loss of the gap between mental and physical labor. Socio-economic efficiency is, at the same time, the increase and efficiency of production efficiency, the success of the enterprise, the operation, the full development of the individual and the use and outcome of all his abilities.

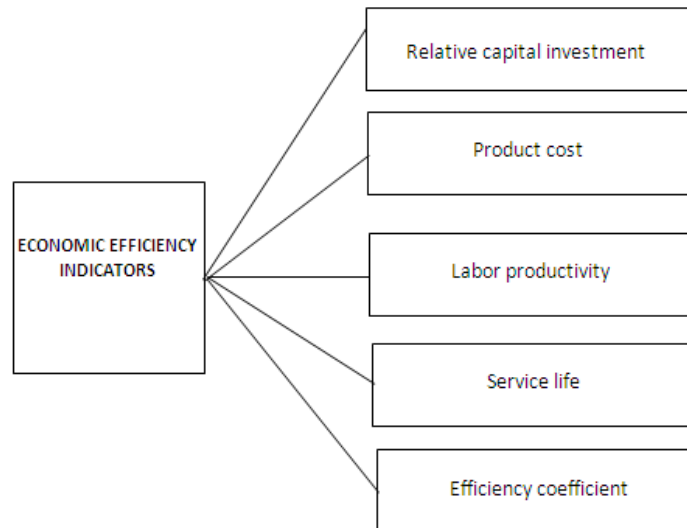
Production efficiency is primary to social efficiency: economic gains help solve an enterprise's social problems. The categories of efficiency and effectiveness we have considered are among the most dynamically changing categories. They are constantly evolving. Through efficiency, the company will improve its position in the market, will be able to withstand competition, improve the condition of employees and ensure a large amount of profit.

As mentioned above, in a market economy, the task of every economic entity is to increase production efficiency. Their leaders strive to make efficient use of all the resources at their disposal to increase the efficiency of their enterprises, to the best of their ability.

The basic concept of production efficiency can be derived from the total costs incurred to produce a particular product. Many literatures and scientific works talk about efficiency and cost. The purpose of action is to be effective. Operating, on the other hand, is costly. As production costs decrease, so does efficiency. We can obtain information on production costs from product cost calculations or cost estimates.

There is another view of the concepts of efficiency and cost-effectiveness, which is annual cost-effectiveness. The annual economic efficiency of each planned event is determined. This measure can be implemented only if annual economic efficiency is ensured. Otherwise, any event may be suspended. Annual cost-effectiveness is used to determine the effectiveness of different situations and options. These options are compared to each other. The following indicators are used more in comparison (Figure 1.1):

- 1) Relative capital investment.
- 2) Product cost
- 3) Labor productivity
- 4) Service life
- 5) Efficiency coefficient

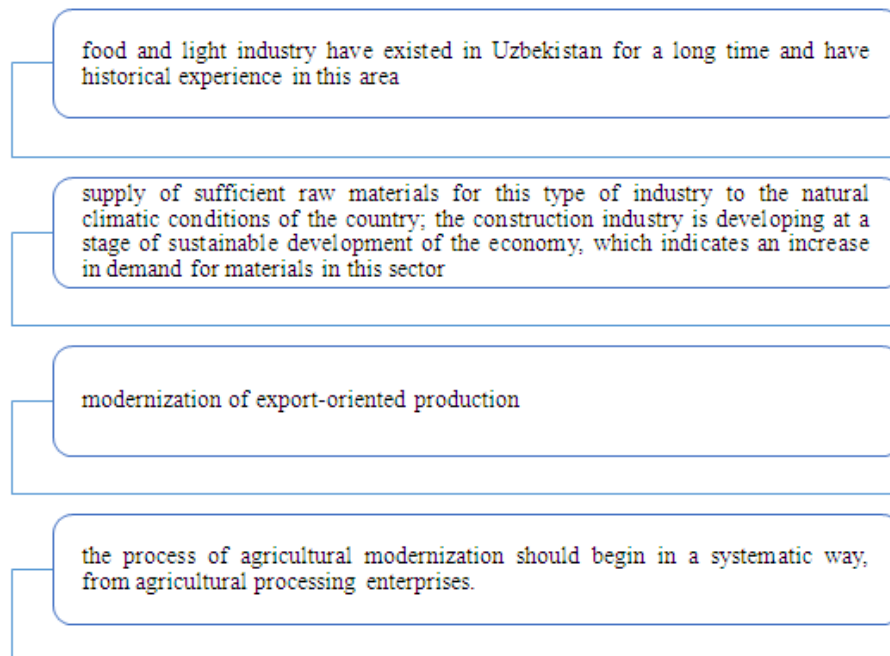


**Figure 1.1. Economic efficiency indicators \***

**\* Image data are based on research**

Production efficiency is a very complex economic category. It reflects the objective economic laws, the basis of social production - the result, that is, the consequence. Outcome or outcome is the goal of any activity. It is necessary to distinguish between the concept of efficiency and the concept of cost-effectiveness.

In our view, the modernization of economic sectors in improving the role of increasing economic efficiency sIt is advisable to pay attention to the following priorities of the anointing:



**Figure 2. In UzbekistanSystematic procedure for improving the role of modernization of economic sectors in increasing economic efficiency \***



**\* Image data are based on research**

In addition to the above measures, in the first stage it is necessary to carry out the process of modernization of the infrastructure system. To increase the effectiveness of modernization, it is necessary to implement this phase in 3-5 years. In the second stage, it is necessary to modernize small business and private entrepreneurship, which create products for domestic demand. At this stage, it is also necessary to pay special attention to quality and establish a system of human resources that can use modern technologies and create new models. The main criterion in the formation of the base of specialists should be the mechanism of studying the current and future demand of the economy for industries and sectors of specialties. In general, the economic type of modernization requires the modernization of equipment in the production system. The essence of this is to adapt the real sector of the economy to the modern level on the basis of existing capital construction.

## **CONCLUSIONS AND SUGGESTIONS**

In determining the efficiency of production can also be used to compare the normative and actual levels of consumption of raw materials, materials, fuel and electricity per unit of product. Consumption of raw materials, especially in ginneries, is an indicator that has a significant impact on efficiency. This is because a large part of the total cost of finished products in ginneries is spent on raw materials.

The level of use of various economic resources of the enterprise by increasing the market share of these products, calculated on the level of organization of the product sold by the enterprise in the total volume of various products sold in the market. It serves to know more precisely the efficiency of determining the production efficiency of a manufacturing enterprise not by the volume of product produced, but by the volume of product sold in the market. However, it would be more appropriate to determine the labor productivity indicator by the amount of product sold per unit time, rather than the product produced per unit time. In the previous period, the same indicator was determined. Only the volume of products sold in it was determined by the value indicator [6]. Our proposal is to determine the volume of products sold in natural terms. In the calculation of efficiency in individual production enterprises are used changes in profits in different periods and capital expenditures spent on this change. In the calculation of efficiency are also used indicators of profitability of the enterprise and products. Profitability of the enterprise indicates the amount of profit corresponding to the production funds of each sum of the enterprise: In calculating efficiency, indicators of enterprise and product profitability are also used. Profitability of the enterprise indicates the amount of profit corresponding to the production funds of each sum of the enterprise: In calculating efficiency, indicators of enterprise and product profitability are also used. Profitability of the enterprise indicates the amount of profit corresponding to the production funds of each sum of the enterprise:

The higher the profitability of production, the higher the efficiency in the enterprise. In enterprises with a low level of efficiency, profitability decreases and can also shift to the type of unprofitable enterprises. If an enterprise terminates its production activities at a loss, it becomes a non-profitable type of enterprise [7]. This leads to a worsening of the economic situation of the enterprise. It is also possible to calculate the efficiency of the use of each resource used in manufacturing enterprises. For this purpose, the indicators of capacity and efficiency of funds, material capacity of the product are also used in manufacturing enterprises.

One of the important resources of the enterprise is the level of use of fixed assets and efficient use of machinery and equipment in production, improvement of production technologies and staff training, increasing the efficiency of funds.

The lower the material capacity of a product in a manufacturing plant, the higher the production efficiency. However, it should not be done at the expense of reducing the material capacity of the product, reducing its quality or violating the norms and rules of technology.

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