

## THEORETICAL BASIS OF FINANCING LOCALIZATION IN RAILWAY TRANSPORT

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### **Enter**

The importance of transport infrastructures in the development of world communications is increasing more and more. According to the World Bank, the amount of world transport services in GDP is 4.3 trillion. USD (6.9%) is 110 billion per year. tons of cargo and 1 trillion. more than 100 million passengers are transported, the number of employees employed in the transport infrastructure is 100 million. is organizing a person<sup>1</sup>. As an important branch of the country's economy and an important factor of the integration of the national economy with the world economy, comprehensive and targeted program measures are being implemented in connection with the qualitative and rapid development of the transport and logistics sectors.

### **Analysis and results**

Localization in terms of its economic meaning is divided into two: localization of production and localization of production (substitution of imports). Although the ideas of developing an effective production system with high profit on the basis of the rational location of production have a long history, with the establishment of industrialized production, the "standard", that is, the doctrines of location, also appeared. I. Tunen, V. With the emergence of the works of Launhardt, A. Weber, T. Palander, A. Lyosh, etc., devoted to the industrialized production system, the word "standard" was expressed in a new meaning and became a doctrine of rational placement of production.

The historical emergence of the first "standard", i.e., the theory of localization (localization) of production, was explained in 1826 by the German economist Y. Tunen in the book "A state wrapped in its shell in relation to agriculture and the national economy", in which agriculture is studied according to the following three factors<sup>2</sup>.

1. Production costs (production costs).
2. Soil fertility (natural soil fertility) and plant characteristics.
3. Transport costs compared to market prices;

The main content of this fundamental work was to determine the laws of placing agricultural production.

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<sup>1</sup>The World Bank: World Development Indicators. <http://data.worldbank.org/indicator>.

<sup>2</sup>Andreev A. V. Osnovy regionalnoy ekonomiki: uchebnik dlya vuzov/. - M.: Kno Rus, 2012. - 334 p.

In 1882 V. Launhardt developed a method of finding a rational location point of an individual industrial enterprise in relation to sources of raw materials and markets for product sales. This method is called the Launhardt method or the weighted location triangle method.

German economist A. Weber in his work entitled "Theory of Industrial Standard" (1909)

German economist A. Weber calls economic profit a "location factor" and determines it depending on the location of economic activity.<sup>3</sup> Profit refers to a reduction in the cost of production and sale of a certain industrial product, and therefore means the possibility of making this product at a lower cost in one place than in another.

A. Weber's teaching is further developed by O. Engländer, T. Palander, A. Lyosh, V. Kristaller.

The next representative of Western scientists V. Developed a mathematical model of the crystal arrangement system. He put forward the theory about the functions of placing the system of settlements in the market space in his 1933 work "The Central Place in Southern Germany".

In particular, V. Kristaller's "Central Place" theory explains the location of population centers, while A. Lyosh reveals the essence of monopoly profit, dumping, tax system, state border, international trade, technical development and other concepts by improving the standard theory.

The German economist-geographer August Loesch in his book "The Geographical Location of the Farm" (1940) continues to develop the work of Kristaller and puts forward the idea of a hexagonal grid of interrelated residential areas.<sup>4</sup> Loesch showed that to determine the exact location that provides the most profit, solving a large number of unknown tasks is required. This is theoretically correct and practically important. Lyosh raised not only the enterprise as a research object, but also the entire economic territorial structure to the macroeconomic level of research. According to A. Lyosh's concept, there is a struggle between the interests of the economy as a whole and the entrepreneurs who aim to get high profits in the placement of new enterprises. These teachings are theoretically based on the development of effective production systems aimed at obtaining high profits in the prevailing conditions of market relations.

The scientific and technical revolution, which began in the middle of the last century, introduced a number of "corrections" to the "classical" theories of the development of production forces and improvement of territorial organization(6). They include:

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<sup>3</sup>1. Weber A. Theory razmeshcheniya promyshlennosti. Per s English. - L.-M.: "Kniga", 1926.

<sup>4</sup>3. Lyosh A. Geographical distribution of households. Per s English. - M.: "Foreign Literature", 1959.

a) rapid development of very new branches of industry, first of all, "demanding" fields closely related to scientific research and design-experimental works;

b) migration of agricultural production to industrial sectors - formation of agro-industrial complex (agribusiness);

c) a steady increase in the contribution of infrastructure sectors to the national income;

g) the process of reducing the dependence of the production system on transport-geographic location and raw materials;

d) increasing role of scientific research and design-experimental centers;

j) increasing role of highly qualified labor contribution;

z) socio-ecological factors - significant changes in the development and location of production forces can be cited. This, in turn, paved the way for the development of new directions in the theory of "placement" such as D. J. Galbraith's "industrial society" and U. Izard's "market theory of placement".<sup>5</sup> However, the current situation did not allow to fully reveal the essence of the population and related laws and regulations in the "nature-society" system.

The main goal of rational and effective location of production is to minimize the cost of production of products and to place competitive enterprises in the region.

Localization of production is the process of transferring parts, components, semi-finished products and finished products used in various stages of industrial production to production based on local raw materials and materials.

The effect of import substitution is the cost of imported products saved as a result of the production of products and services provided through the implementation of the localization process.

As a result of studying and comparing different opinions, two main approaches to understanding the economic category of the term "Import Substitution" can be distinguished based on the conditions of the following changes:

1. Support of domestic manufacturers (V.K. Falman, D.N. Zaitsev, B.A. Ryzberk, L.Sh. Lozovsky, E.B. Starodubtseva, T.M. Kalashnikova, E.N. Nazarchuk, O. V. Starovoytova, L. N. Azoev, N. A. Suchkova, D. A. Smirnov conducted scientific research);

2. Import restriction (O.B. Berezinskaya, A.L. Vedev, P.A. Kadochnikov, E.F. Baranov, N.N. Volkova, E.V. Volkodavova conducted scientific research)<sup>6</sup>.

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<sup>6</sup>Teoreticheskie i metodicheskie osnovy effektivnogo importozameshcheniya na Rossiyskikh promyshlennykh predpriyatiyax (08.00.05-ekonomika i upravlenie narodnym hozyaystvom) candidate dissertation Nazarchuk Elena Nikolaevna. Samarsky State Economic University in 2007.

Table 1

**Research conducted by economists on the concept of "import substitution":<sup>7</sup>**

| <b>The author</b>                | <b>The level of study of the concept of "import substitution".</b>   |
|----------------------------------|--|
| V.K. Faltzman                    | He conducted scientific research on effective use of natural resources and economic growth, modernization, elimination of the accumulated scientific and technical deficit and increasing the competitiveness of local products. |
| O.B. Berezinskaya,<br>A.L. Vedev | Conducted scientific research on reducing the share of consecutive purchases of imported raw materials, materials, and products.   |
| P. Lindert                       | Conducted scientific research on the existence of the influence of import substitution factors on the growth of international trade conditions   |
| A. Kireev                        | Conducted research on growth mechanisms and benefits of import substitution  |
| P.A. Kadochnikov                 | Conducted scientific research on the impact of import substitution development on macroeconomic processes.   |
| L.R. Ismogilova                  | He conducted scientific research on the study of development mechanisms and directions of import substitution in regional production.  |
| D. P. Zaitsev                    | He conducted scientific research on the study of the organization of production of import substitute products in the development of the regional economy.  |
| S.I. Redko                       | He conducted scientific research on import substitution as a means of ensuring the economic security of the state.   |
| A.P. Terekhov                    | Industrial production conducted scientific research on the problem of competitiveness of import substitute products.   |

At the same time, a number of economists say that import substitution is an economic policy that requires the active intervention of the government. Other authors understand import substitution as a natural process arising from the formation of the need to implement it against the background of certain specific market conditions.

### **Conclusions and suggestions**

Further improvement of market relations and liberalization of the economy in our country has become an objective necessity of today. Because the market economy has proven to be a huge achievement of the world civilization - an

<sup>7</sup>Teoreticheskie i metodicheskie osnovy effektivnogo importozameshcheniya na Rossiyskikh promyshlennykh predpriyatiyax. Nikolaevna N. E., in 2007.

economic system that continuously ensures economic growth and population well-being in economically developed countries.

Regional economic sectors that ensure the sustainable development of the country are important. These sectors are of great importance in meeting the needs of the country's population for industrial, agricultural, food and other types of products, and in meeting the demand of processing industries for raw materials.

### List of used literature

1. I. Kh. Boboev. Formation of a competitive product production strategy based on localization. 08.00.03 – Candidate of science dissertation prepared on the specialty of industrial sector economy / ANRUIE.- T., 2008.

2. M.R. Boltabaev. Marketing strategy in the development of export opportunities of the textile industry of the Republic of Uzbekistan. 08.00.13.: Dissertation written for the degree of Doctor of Economics./TDIU. - T., 2005.

3. G. U. Madaminova. Razvitie promyshlennogo proizvodstva na osnove eksportoornentirovannoy marketinggovoy strategy. 08.00.13 - management and marketing dissertation and candidate economic science./ TGEU. - T., 2008. - 161 p.)

4. Z.A. Baltasheva. Development of marketing strategies for food industry development in the Republic of Karakalpakstan. 08.00.11 - "Marketing". Dissertation prepared for obtaining the degree of candidate of economic sciences (TDIU)

5. Sh.N. Zoynutdinov. Development of a management strategy and its effectiveness in the Uzbekistan Railways Company. 08.00.13. - "Management and Marketing". Dissertation prepared for obtaining the scientific degree of candidate of economic sciences. /FDPU.- T., 2011- 151p