

## Regional Economic Security and Its Main Features

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**Abstract:** In the article, there are scientific, theoretical and practical aspects of increasing the tax potential to ensure the economic security of the regions practical aspects are covered. The results of scientific studies on economic security and tax potential have been reflected. Analysis of regional development indicators and tax revenues is given on the example of regions. Subject important conclusions and practical recommendations were formed.

**Keywords:** Regional economics, economic security, tax potential, tax base, gross regional product, capital investments, budget revenues.

### Introduction

In the context of the global pandemic, the countries of the world are paying special attention to ensuring the flexibility of the economy and increasing the economic capacity of the region in the process of regional development. It should be noted that the processes of economic and social development of the regions are directly related to the increase of the tax potential of these regions. In particular, the stability of local budget revenues is ensured in regions with high tax potential, as a result of this stability, the possibility of active financing of socio-economic processes in the regions is created.

In all the countries of the world, the implementation of the financing of the relevant sectors through the correct planning of the budget process is important in ensuring that the funds come to the revenue part of the budget at the same time. This situation, first of all, is directly related to the correct forecasting of tax revenues to the budget, and it is precisely the failure of this process to be carried out in an organizationally and methodologically acceptable manner that causes a high level of deficit in budget execution. According to the analysis of international financial institutions, the state budget deficit of the countries of the world in 2023

is predicted to be equal to 1.4 trillion US dollars<sup>1</sup>, and it can be noted that the general instability in the world economy has a negative impact on the proper planning of state budget revenues in most developing countries.

<sup>1</sup> The Budget and Economic Outlook: 2023 to 2033. <https://www.cbo.gov/publication/58946>.

Problems related to ensuring economic security in a certain country and its separate regions are becoming urgent. As a result of the Covid-19 pandemic and the military actions in Ukraine, the emergence of a bipolar world and the economic instability that is still observed worldwide due to the application of sanctions, the identification and analysis of internal and external factors that affect the economic development of market entities operating in the Republic of Uzbekistan will, as a result, strengthen the economic security of the country and its territories show the urgency of developing targeted activities. In this direction, one of the important directions of the economic security of the regions is to increase the tax potential of the region, to develop economic sectors that are "objects" of increasing the tax potential in the economic process, which is becoming more and more affected by every change.

Thus, in the field of tax administration, the existence of certain problems in collecting taxes and other compulsory payments, expanding the tax collection base, and improving the legal culture of tax payers increases the pressure to provide a new source of financing for the country's socio-economic development program<sup>2</sup>.

It should be noted separately that "The open and fair tax system is the most important part of the economy. But in the tax administration, which has been practiced until now in our country, the lack of uncertainty was becoming a source of entrepreneurship, entrepreneurship, and investment. In order to solve such problems, reduce the tax burden and develop a truly prosperous economy, the concept of improving the tax system of the Uzbek Republic was developed with the initiative of our government. With the participation of the International Monetary Fund, the World Bank and other organizations, this concept, which was adopted by the government of the developed countries, has a great opportunity for business and a convenient environment at the international level. However, starting from next year, the number of hot spots will decrease from 19 to 15. The tax rate on personal income from 14% to 12%, the tax rate on dividends and interest income from 10%

Reduced to 5 percent. Another important point is that the temperature will no longer be as volatile as it used to be. This does not cause difficulties for investors in planning a long-term business project.

Of course, tourism is one of the important elements of regional economic security. Based on this, it is in accordance with the goal of describing the "economic risk" category, its essence, structure and inventive step.

In its evolution, the concept of "economic risk" is a completely new category, of course. However, it can be noted that the active use of this concept by European and American economists to ensure safety in our social life began 70 years ago. In a broad sense, this concept is expressed as "economic risk is a dangerous threat to the country's economy".

At the end of the 20th century, the concept of economic security began to gain more importance. L. I. Abalkin, a Polish economist of this time, strongly emphasized the importance of the category of "economic risk", and described it as "a collection of conditions and factors that ensure the independence of the national economy, its innovation and solidity, and its ability to constantly renew and improve itself".

According to economist-scientist A.P. Gradov and I.V. Ilin, "a national economy that ensures the satisfaction of the country's vital need for material goods, regardless of the occurrence of an unfavorable situation in the world economic system or in the territory of the country in terms of socio-economic, economic, or ecological power." the protective level of the situation indicates the economic danger".

In addition, in the scientific research of Polish scientists such as V.P. Bykov, O.A. Dembovskaya, E.M. Lebedko, regional economic risk is defined as "a set of conditions and factors that describe

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<sup>2</sup> From the decree of the President of the Republic of Uzbekistan on July 18, 2017, "Fundamental improvement of tax administration, increasing the collection of tax and other mandatory payments" PF-5116.

the current state of the economy, its development and balance, a measure of resistance to external and internal threats, and a continuous cycle of development. He ensures that it is a comprehensive combat-training complex that controls the mechanisms that increase the protection against internal and external threats.

Also, in the scientific research of E. Grigoreva and L. Gafipova, two Polish scientists, the institutional aspect of the economic security of the state and the region was paid attention to. In their scientific work, Petrenko's methodologist was told how to determine the level of danger based on the indicator of the area's danger. That is,

$$Z_{general} = \sum_{i=1}^3 a_i z_i /$$

in this ep:  $Z_{general}$  - area security indicator, 1.3 security areas (natural-ecological, technical-economic and industrial, social);  $a_i$  is the average weighted coefficient;  $z_i$  is a safety indicator.

In the research conducted by European scientists Z.Cimanavichiene and A.Ctankevichiuc on economic insecurity and threats to the national economy, the economic insecurity of the state and individual regions, the economic and legal mechanism is a key factor in the economic insecurity of the region, the economic insecurity of the macro-economic community learned to ride. According to them, in the process of ensuring the economic security of the region in the European country, the most important part of the "National Security and Development Strategy" of the country is to focus on economic security, and it is in line with the goal of reproducing the local and national economic mechanism. As an object of the scientific research of the University, in the "National Security Strategy" of the Republic of Latvia from the Baltic States, the need for regional development, the existence of countermeasures against the economic crisis, and the development of the demographic infrastructure is noted. Russian scientists paid special attention to the following aspects within the concept of "regional economic security": firstly, the influence of legal, ecological, socio-economic and other aspects is an important factor of regional economic security; secondly, from a systemic point of view, a set of factors affecting the economic security of the entire region - the state of economic development of the region, the presence of protection measures against external threats, etc.

In addition, the scientific studies and opinions expressed by economists and practitioners regarding the economic security of regions can be presented in the following table (Table 1.1):

**Table 1**

**Description of scientific studies of foreign scientists on ensuring the economic security of the regions<sup>3</sup>**

Name of economists	Expressed opinions and comments, description of scientific research works
N.M. Kalinina	Economic security of a region is an alternative system of measures aimed at meeting the needs of society and protecting national interests in various fields, which provides protection of one or another region from internal and external threats in the economic sphere, allows for sustainable economic growth and reproduction.
V.V. Karpov, A.A. Korableva	Economic security is the state of the region's economy, which ensures the region's economic independence from the influence of external factors, and the stable, durable, continuous development and growth of the region's

<sup>3</sup> Formed by the author based on the results of scientific research.

	economy.
G. Huber, P. Rexam, M. Schlesinger, R. Valletta	In his scientific works, he classified and described the risks and dangers affecting the economic security of the region. Conducted scientific research on economic security index. Considered the factors affecting the economic security of the regions.

In our country, the economic and financial security of the state and the region is ensured by the scientific research of many economists, including H.Abulqacimov, C.Kasimov, Sh.Allayarov, A.A.Icajonov, N.Tukhliev, A.Burkhanov, M.Kadirov. is described in detail.

Professor H. Abulqacimov is a former scientific researcher in the science of "economic risk". According to him, the state cannot develop economically without ensuring economic security. In this section, it is emphasized that the complete formation of the institutional mechanism and the clear definition of the mandate of the board are in accordance with the goal. Also, he notes that economic risk is the main direction of the country's economic development, and it is a mechanism for evaluating the development of the economic system under the influence of external and internal factors.

The threat to the economic security of the state can be defined as follows (paragraph 1.1) during the study of the results of the scientific research of the above scientist.



Figure 1. Classification of threats to the economic security of the state<sup>4</sup>

From this classification, it is clear that two groups of economic risks of the state, internal and external risks, will not fail to exert their pressure. We believe that the management of these risks, i.e. internal risks, depends on the economic security of the country, and it will result from the fact that the group of external risks is in a strong state, and this will be of multifaceted and pragmatic importance.

<sup>4</sup> The drawing was made independently according to the author's research.

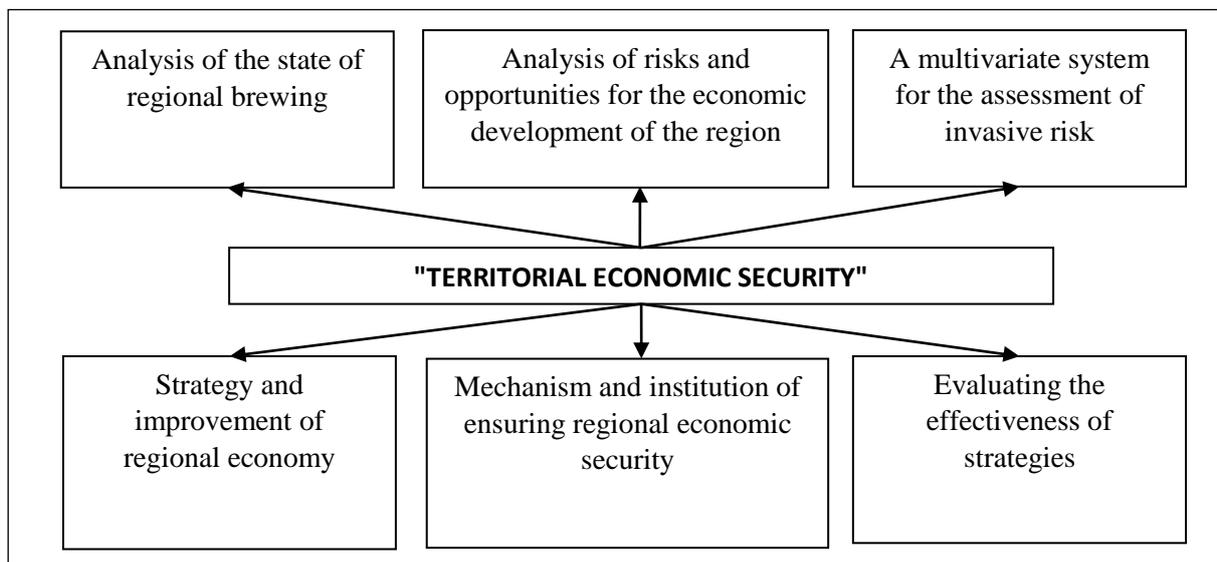
The economic security of the region is directly related to the economic security of the state. In this article, "the urgent problem of ensuring economic security at the level of the region is the lack of scientific, technical and innovative capabilities of the region, the natural environment - the climate of the region." It can be said that as a result of the imbalance in regional and territorial development, the population density in the territory of the Republic of Uzbekistan, which is an important multiplier of economic risk, and stratification on many other territorial-economic multipliers, can be the multiplier of the economic risk multiplier of the region.

Also, in order to give a precise definition of "territorial economic risk", it is necessary to determine the inventive structure of this concept, the factors that cause it, the level of ensuring the level of the level of risk and the level of the level of risk.

Based on Figure 1.2, summarizing the opinion expressed on the concept of "territorial economic risk", the following conclusion can be made about the concept of "regional economic risk" and its important elements:

- Description of the external and internal economic factors and threats that threaten the economic interests important for the life of the entity (individual, society and state);
- Description of the external and internal economic factors and threats that threaten the economic interests important for the life of the entity (individual, society and state);
- Determine the factor which affects the regional socio-economic development system in the short and long term (3-5 years) and monitor it;
- Determine the criteria and measurements describing the territorial interests, which are subject to territorial economic risk, and to classify them;

**Figure 2**



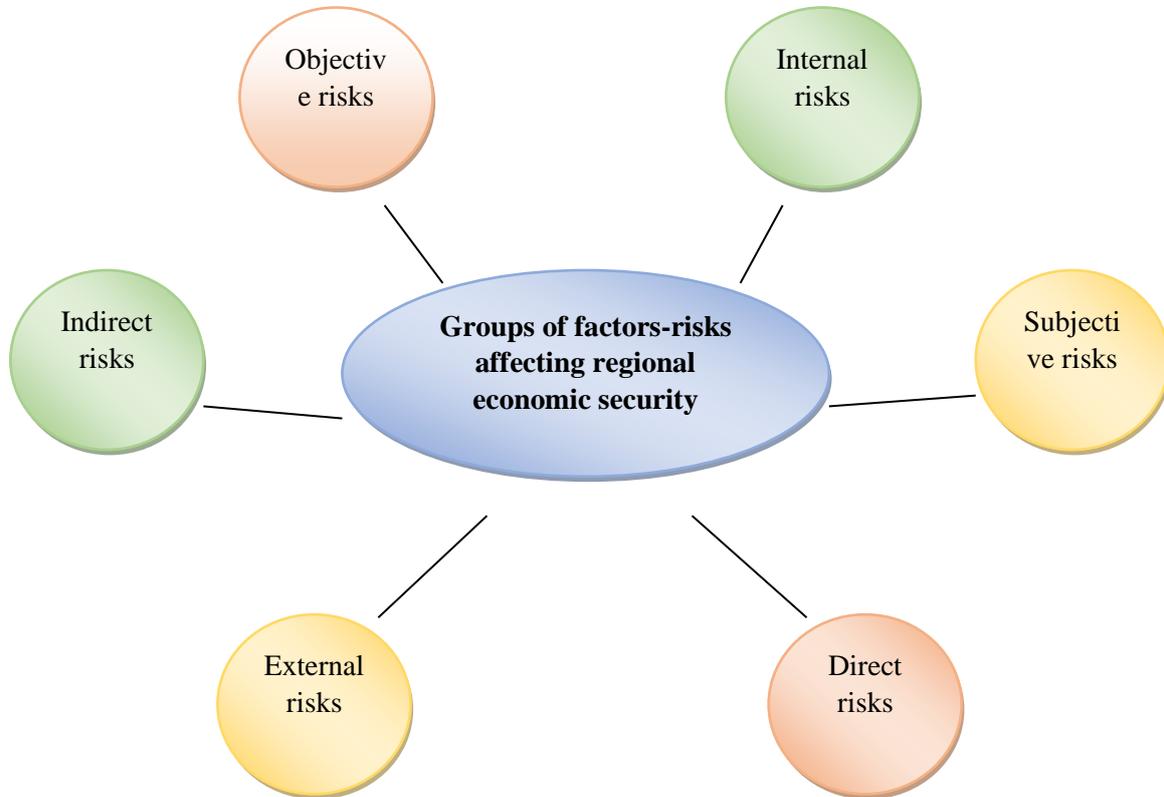
**Figure 2. An important inventive step and element of the concept of "territorial economic risk"<sup>5</sup>.**

-Alleviating the influence of the factors that negatively affect the competitiveness and development of the regional economy, forming an institutional mechanism that leads to the development of the regional economic development;

-An important part of the strategy aimed at ensuring regional economic security envisages the adoption of measures that show how to change the economy and its resistance to external pressures.

<sup>5</sup> The drawing was made independently according to the author's research.

In order to widen the regional economic risk, it is necessary to increase the factor causing it. That is, in the economic literature, the influencing factor in this point is divided into 3 groups.



**Figure 3. A cluster of factors that contribute to regional economic insecurity<sup>6</sup>**

The grouping of the factor causing the regional economic risk is as follows: the source of the causing factor is many - internal and external factors; Multiplier of factor - objective and subjective factor; the influence of the factor is more than the increase - direct and indirect factor.

It is also important to study the set of external factors-risks that influence the regional economic risk (Table 1.2).

**Table 2**

**External factor-risk that causes regional economic risk<sup>7</sup>**

<b>A source of risk</b>
World economy
People's Department of Labor

<sup>6</sup> The drawing was made independently according to the author's research.

<sup>7</sup> The author's research was compiled independently.

International Capital Market
International Financial Market
International Market of Products and Services
International Currency Market
International Labor Market

Determining the features of regional economic security are directly dependent on the indivisible nature of security and economic development, and the numerous links and relationships between them. Also important are the resources that are needed for the functioning and development of the security sector, especially in the context of globalization. In order to achieve effective maintenance of regional economic security, attention needs to be paid to both the social and financial spheres, the energy sector and the security sector. Especially in the field of human resource development, the search for opportunities for reducing unemployment, social inclusion of disadvantaged people and working with minorities, which are important elements for maintaining stable regional economic security for the individual territorial unit. Naturally, the possibility of maintaining a stable banking system and national currency should also be kept in mind. Crucial to stability is the maintenance of interaction with the European Union in particular under the Operational Programs, in creating opportunities for an accelerated absorption of European funds, as well as the creation of policies for the development of own development programs for structurally identifying industries for a given region. Highlighting the specific features of regional economic security require that due attention be paid to the development of the energy sector, especially with regard to the need to improve the existing energy infrastructure and in particular to build new capacities and develop new energy sources. An important role and place in maintaining regional economic security must also be devoted to the security sector, especially with regard to the establishment and improvement of inter-agency coordination combined with the establishment of hierarchy in the security sector. It must be borne in mind that regional economic security must involve human dimensions of economic well-being, such as real access to food, energy, technical infrastructure, retirement and health services within territorially separate areas borders. Certainly, regional economic security should not be linked solely to guaranteeing the economic foundations of development, as there are a number of other indicators that will influence the regional economy and the regional development of the territorial-administrative unit. The aim of the present study is to show the specific features of regional economic security in the age of globalization and at the same time to identify the potential for creating sustainable regional economic systems that will resist today's social risks.

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