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FEATURES OF THE FORMATION OF CONSUMER PREFERENCES FOR PRODUCTS MANUFACTURED BY ENTERPRISES LOCATED IN THE REGIONS OF THE SOUTHERN FEDERAL DISTRICT AND THE NORTH CAUCASUS FEDERAL DISTRICT

Abstract: In the article, the authors consider the role of quality as a tool for promoting the philosophy of quality in the production of competitive and in-demand products at light industry enterprises located in the regions of the Southern Federal District and the North Caucasus Federal District. At the same time, the authors absolutely reasonably confirm the possibility of such an implementation. If innovative centers are implemented, saturated with universal and multifunctional equipment, creating the prerequisites for the production of the entire range of footwear, namely: men's, women's and, most importantly, children's shoes, the demand for which is quite high in the regions of the Southern Federal District and the North Caucasus Federal District. And the use of software will provoke a significant reduction in the cost of its production and guarantee its sustainable implementation in domestic markets with unstable demand. And here it is important not to make a serious methodological mistake - to reduce economic policy to economic analysis, but to maintain the spirit of solidarity in the team - one for all and all for one - and success will surely find the seeker.

Key words: quality, demand, competitiveness, market, profit, demand, buyer, manufacturer, financial stability, sustainable TEP, priority, assortment policy, demand, implementation, paradigm, economic policy.

Language: English

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Introduction

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Industrial production in 2021 continued to increase, but it grew less than in the previous year - by 2.6% against 4.7% (in 2020, the growth was 8.2%). At



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the same time, the growth rates, as in the previous year, decreased almost every quarter. In the I quarter growth compared to the corresponding period of 2021. amounted to 4.2%, in the II quarter. 2.3%, in the III quarter. 2.5% and in the IV quarter. 1.7%. At the same time, by the previous quarter, as well as a year ago, production was constantly increasing, but less than in 2021, pace. In the II quarter, growth was 1.1%, in the III quarter. by 2.1% and in the IV quarter. By 4.3%, while in 2011. it was respectively 2.7%, 1.9% and 5.1%. Despite the slowdown, production growth in Russia exceeds that of other developed countries. Only in the USA growth for 9 months. was more than in Russia, respectively 4.1 and 2.9%, in 3 other countries it did not exceed 1.4% (in Japan 0.9%, in Canada and India for 8 months. respectively 1.4 and 0.5%). In Italy, production for 9 months. decreased by 6.3%, in Brazil by 3.7%, in the UK and France for 8 months. respectively by 2.2 and 1.9%, in Germany by 0.2%. The critical situation in the shoe industry of the Southern Federal District and the North Caucasus Federal District, not least, and the result of the inability of many managers of shoe enterprises in the Southern Federal District and the North Caucasian Federal District to quickly adapt to the new requirements put forward by the market, to the emerging competition from Russian and foreign manufacturers. Therefore, the current situation has led to the need to develop a strategy for the development of production facilities for the production of a competitive range of footwear that is in demand in the shoe market of the Southern Federal District and the North Caucasus Federal District, near and far abroad and aimed at meeting consumer demand for domestic products and addressing issues of improving the socio-economic situation in the regions for by creating new jobs. In this regard, It is the formation of such organizational and managerial clusters that can solve a significant part of the crisis problems, increasing the degree of manageability of footwear industry enterprises. The project of creating an intersectoral cluster involves the use of not only the usual principles of hierarchical management, but also etarchic, which is based on the process of coordinating all participants in the cluster formation. The methodological basis for evaluating the effectiveness of the performance of a shoe enterprise would be a model for the formation of the competitiveness of an enterprise, according to which an assessment of the competitiveness of an enterprise would be possible on a quantitative measurement of the influence of factors on the competitiveness of products and the competitive potential of this enterprise. Today, the total volume of the market for light and textile industry products takes second place after the food market. On an annualized basis, this is more than two and a half trillion rubles, which is a significant amount of the country's GDP and, when compared with other industries, it is four times the market for consumer electronics and

pharmaceuticals, and twice the market for the automotive industry, not to mention other industries. It is important that this industry is characterized by a high rate of capital turnover, which also favorably affects its investment attractiveness. In addition, light industry is an integral part of the development of the regional economy, making a significant contribution to the creation of jobs, primarily in the field of small and medium-sized businesses. Industry enterprises are located in 72 regions of our country. There are several thousand enterprises and associations in this industry. At the same time, about 70 percent of these enterprises are city-forming for their regions. In total, about 400 thousand people work at these enterprises, respectively, 75 percent of them are women. Thus, the development of light industry is the most important task, both from an economic and social point of view.

Of course, the development of the industry, including its technological modernization, is the task of private business. The state has no right to subsidize an inefficient investor. But for those who have taken this path of modernization, the Ministry will develop the existing tools, offering new mechanisms to attract investors. In particular, the issue of increasing the amount of subsidies on loans for technical reequipment to 90% of the refinancing rate and expanding the areas of subsidies for the construction of new enterprises is currently being worked out. Moreover, for a long time, the Ministry of Industry and Trade, together with the Ministry of Finance, have been looking for tools to help enterprises in the light and textile industries receive support from the government in order to to ensure that they launch modern high-tech production faster. Well, a separate topic is the work of the industry within the framework of the Common Economic Space. The formation of the Eurasian Economic Commission makes it possible to take advantage of the natural advantages of each of the countries participating in this integration process. At present, within the framework of the EEC, it is planned to develop a joint program for the development of light industry in Russia, Belarus and Kazakhstan.

Main part

In order to determine the most energy-dependent types of activity, we analyzed the costs of production, by the main types of economic activity that have been developed in Russia. For this, the data of the report on the costs of production of products (works, services) for 2021 were used. As the main cost items that determine the energy consumption of production, the following are considered: "Crude oil and natural gas" (direct dependence on the prevailing prices for energy resources), "Petroleum products", "Electric energy, gaseous fuel, steam and hot water" (indirect dependence). The results of reports by types of activity are shown in Table 1.



Table 1. Assessment of the energy intensity of industrial types of economic activity

Name of the type of economic activity	Coefficients of unit costs per unit of output			
	crude oil and	oil products	electrical energy,	
	natural gas		gaseous fuels,	
			steam and hot	
			water	
Mining (C)	0.235	0.07	0.501	
Manufacturing (D)	0.617	0.009	0.052	
Manufacture of food products, including drinks, and tobacco (DA)	0.021	0.016	0.041	
Textile and clothing industry (DB)	0.071	0.010	0.218	
Manufacture of leather, leather goods and footwear (DC)	0.005	0.005	0.018	
Wood processing and wood product manufacturing (DD)	0.009	0.065	0.308	
Pulp and paper production, publishing (DE)	0.230	0.004	0.125	
Production of coke, petroleum products and nuclear materials (DF)	0.914	0.001	0.045	
Chemical production (DG)	0.01	0.35	0.07	
Manufacture of rubber and plastic products (DH)	0.006	0.023	0.101	
Manufacture of other non-metallic mineral products (DI)	0.302	0.023	0.110	
Metallurgical production and production of finished metal products (DJ)	0.003	0.009	0.028	
Manufacture of machinery and equipment (DK)	0.003	0.02	0.079	
Manufacture of electrical, electronic and optical equipment (DL)	0.001	0.027	0.055	
Manufacture of vehicles and equipment (DM)	0.017	0.013	0.082	
Other industries (DN)	0.000	0.019	0.023	
Production and distribution of electricity, gas and water (E)	0.965	0.004	0.018	

Given the high dependence of most industrial activities on purchased fuel and energy resources and products of their processing, the development of the least energy-dependent activities is of particular relevance for increasing the competitiveness of the regions of the Southern Federal District and the North Caucasus Federal District. It is important to continue work to reduce the energy intensity of production, to carry out an economically justified reorientation of individual industries to types of fuel or alternative energy sources, while it is very important to ensure stable performance of enterprises in the regions of the Southern Federal District and the North Caucasus Federal District. The financial well-being and stability of enterprises largely depend on the inflow of funds that ensure the coverage of all their obligations. The absence of the minimum required cash reserve may indicate financial difficulties. In turn, an excess of cash can be a sign that the company is suffering losses. The reason for these losses may be related both to inflation and the depreciation of money, and to the missed opportunity for their profitable placement and additional income. In any case, it is the analysis of cash flows that allows you to establish the real

financial condition of enterprises. Cash flow is the difference between the amounts of cash inflows and outflows of a company over a given period of time. It characterizes the degree of self-financing of enterprises, their financial strength, financial potential, profitability. Cash flow is characterized by:

- an inflow equal to the amount of cash receipts (or results in value terms) at this step;
 - outflow equal to payments at this step;
- balance equal to the difference between inflow and outflow.

Cash flow usually consists of partial flows from individual activities:

- from the investment activity of the enterprise;
- from operating activities;
- from financial activities.

Effective cash flow management increases the degree of financial and production flexibility of the enterprise, as it leads to:

- to improve operational management, especially in terms of balancing receipts and expenditures of funds;



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- increase in sales volumes and optimization of costs due to the large opportunities for maneuvering the resources of the enterprise;
- improving the efficiency of managing debt obligations and the cost of servicing them, improving the terms of negotiations with creditors and suppliers;
- creation of a reliable base for evaluating the performance of each of the divisions of the enterprise, its financial condition as a whole;
 - increasing the liquidity of the enterprise.

All three types of activity take place in every enterprise. The cash flow from investing activities includes as an outflow, first of all, the costs distributed over the steps of the billing period for the creation and commissioning of new fixed assets and the liquidation, replacement or compensation of retired fixed assets. In addition, cash flow from investing activities includes changes in working capital (an increase is treated as a cash outflow, a decrease is treated as an inflow). The outflow also includes own funds invested in the deposit, as well as the costs of purchasing securities of other economic entities intended to finance the project. As an inflow, the cash flow from investing activities includes income from the sale of assets being disposed of (sale of shoes or sale of obsolete equipment). Cash flows from operating activities take into account all types of income and expenses at the corresponding calculation step related to the production of products, and taxes paid on these incomes.

The main inflows at the same time are income from the sale of products and other income. Production volumes should be indicated in physical and cost terms. The initial information for determining the proceeds from the sale of products is given by calculation steps for each type of product.

In addition to the proceeds from sales, inflows and outflows of real money, it is necessary to take into account income and expenses from non-sales operations that are not directly related to the production of products. These include, in particular:

- Income from renting or leasing property;
- receipts of funds upon closing deposit accounts and on purchased securities;
- -repayment of loans granted to other participants.

Operating cash flows are generated from the cost of production and distribution of products, which usually consist of production costs and taxes.

Financial activities include operations with funds external to the investment project, i.e. coming not at the expense of the project. They consist of own (share) capital and borrowed funds. Cash flows from financial activities as inflows include investments of equity capital and borrowed funds: subsidies and subsidies, borrowed funds, including through the issue of the company's own debt securities; as outflows - the costs of repayment and servicing of loans and debt securities issued by the enterprise, as well as, if

necessary, the payment of dividends on the shares of the enterprise. Cash flows from financial activities are largely formed in the development of a financing scheme and in the process of calculating the effectiveness of an investment project.

If the shoes produced are not fully sold, the company loses part of the profit, which is necessary for the further development of production. To reduce losses, the manufacturer must have daily information about the sale of products and make decisions on timely price changes for specific shoe models. The software product developed by the authors makes it possible to calculate cash receipts from operating activities. This program is necessary for a sales manager or marketer who controls the process of selling a particular model being produced. As a result of the proposed calculation, we obtain a net inflow from operating activities. A decrease in sales results in a decrease in cash flow and requires a decrease in the selling price of the product in order to increase sales. If such an event does not lead to an increase in cash flow, then the question arises of the advisability of further production of this model. The algorithm for constructing and calculating the software product is located in ISOiP (branch) of DSTU. This algorithm is implemented using the Microsoft Excel software product, which can be installed at the workplace of almost any specialist. For this calculation, it is important to differentiate the data involved in the calculation. To calculate the cost of a particular manufactured model, the initial data are fixed and variable costs that depend on the production equipment, the composition of the main and auxiliary materials, the number of employees, etc. In the Excel calculation table, the cells in which these data are entered are highlighted in color. In the process of monitoring the sales of a particular model, this data remains unchanged. For another model, the data is

The calculation also contains data that does not depend on the model and is entered into the calculation table once. They are highlighted in color. Calculation formulas are also highlighted in color; they are recalculated automatically when the source data changes. The main input data used in the monitoring process are the selling price of a unit of production and sales volume. Thus, the calculation can be performed daily, or in a selected time range, while setting only the sales volume and unit price for a certain period, we will receive an increment in cash flow for this period. The algorithm for calculating cash receipts from operating activities is also protected and is the property of ISOiP (branch) DSTU. To assess the effectiveness of the production activities of a shoe enterprise, it is necessary to analyze the annual results of the enterprise's work on the production of men's and women's footwear assortment. Table 2 presents the results of the shoe



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enterprise for the production of summer footwear assortment.

Table 2. Generalized results of the work of a shoe enterprise for the production of a summer assortment of shoes

Indicators	The value of the indicator for different sales volumes per month, %				
	100	80	60	40	
Sales volume, pairs	28168	22534	16901	11266	
Sales proceeds, thousand rubles	24033.9	19226.86	14420.58	11266	
Unit cost of production, rub.	726.7	726.7	726.7	726.7	
Full cost, thousand rubles	20373.34	17265.01	14156.57	11047.32	
Including raw materials and basic materials, thousand rubles.	12628.89	10102.96	7577.45	4402.8	
Profit from sales, thousand rubles	3660.56	1961.85	264.01	-1434.8	
Income tax, thousand rubles	732.112	392.37	52.802	-	
Net profit, thousand rubles	2928.448	1569.48	211.208	-	
Product profitability, %	15.2	10.2	1.8	-	

From the analysis of table 2 it can be seen that in the event of a decline in sales and sales of shoes, less than 60% of the production volume brings losses to

the enterprise. Table 3 shows the results of the shoe enterprise for the production of the autumn assortment of shoes.

Table 3. Generalized results of the work of a shoe enterprise for the production of an autumn assortment of shoes

Indicators	The value of the indicator for different sales volumes per month, %				
	100	80	60	40	
Sales volume, pairs	25358	20286.4	15214.8	10143.2	
Sales proceeds, thousand rubles	30640.47	24512.37	18.384	12256.19	
Unit cost of production, rub.	1024.58	1024.58	1024.58	1024.58	
Full cost, thousand rubles	25747.78	21683.33	17618.45	13554.44	
Including raw materials and	17105.57	13661.88	10263.34	6842.22	
basic materials, thousand					
rubles.					
Profit from sales, thousand	4892.69	2829.04	765.82	-1298.25	
rubles					
Income tax, thousand rubles	978.5	565.8	153.16	=	
Net profit, thousand rubles	3914.19	2263.23	612.66	-	
Product profitability, %	15.9	11.5	4.2	-	

Table 4. Generalized results of the work of a shoe enterprise for the production of winter footwear assortment

Indicators	The value of the indicator for different sales volumes per month, %				
	100	80	60	40	
Sales volume, pairs	26114	20891	15668	10445	
Sales proceeds, thousand rubles	45032.84	36025.56	27019.46	18012.69	
Unit cost of production, rub.	1435.54	1435.54	1435.54	1435.54	



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Full cost, thousand rubles	37487.78	31183.45	24878.18	18573.85
Including raw materials and	28072.03	22457.8	16842.75	11228.5
basic materials, thousand rubles.				
Profit from sales, thousand	7545.06	4842.11	2141.28	-561.16
rubles				
Income tax, thousand rubles	1509	968.42	428.26	-
Net profit, thousand rubles	6036	3873.69	1713	-
Product profitability, %	16.8	13.4	7.9	-

Table 5. The results of the shoe enterprise for the production of spring footwear assortment

Indicators	The value of the indicator for different sales volumes per month, %			
	100	80	60	
Sales volume, pairs	29661	23728.8	17796.6	
Sales proceeds, thousand rubles	31026.82	24821.45	18616.09	
Unit cost of production, rub.	890.2	890.2	890.2	
Full cost, thousand rubles	26405.04	21576.03	18400.86	
Including raw materials and basic materials, thousand rubles.	17648.54	14118.8	10589.1	
Profit from sales, thousand rubles	4621.78	3245.42	215.23	
Income tax, thousand rubles	924.36	649.1	43	
Net profit, thousand rubles	3697.4	2596.3	172.23	
Product profitability, %	14.9	13	1.1	

Table 6. Annual results of the shoe enterprise for the production of men's and women's shoes

Indicators	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sen.	Oct.	Nov.	Dec.
Sales volume, pairs	26144	26114	29611	29611	29611	28168	28168	28168	25358	25358	25358	26114
Sales proceeds, thousand rubles	45032 .84	45032 .84	31026 .82	31026 .82	31026 .82	24033	24033	24033	30640 .47	30640 .47	30640 .47	45032 .84
Unit cost of produc tion, rub.	1435. 54	1435. 54	890.2	890.2	890.2	726.7	726.7	726.7	1024. 58	1024. 58	1024. 58	1435. 5
Full cost, thousand rubles	37487 .78	37487 .78	26405 .04	26405 .04	26405 .04	20373 .34	20373 .34	20373 .34	25747 .78	25747 .78	25747 .78	37487 .78
Profit from sales, thousand rubles	7545. 06	7545. 06	4621. 78	4621. 78	4621. 78	3660. 56	3660. 56	3660. 56	4892. 69	4892. 69	4892. 69	7545. 06
Income tax, thousand rubles	1509	1509	924.3 6	924.3 6	924.3 6	732.1 12	732.1 12	732.1 12	978.5	978.5	978.5	1509



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Net profit, thousand rubles	6036	6036	3697. 4	3697. 4	3697. 4	2928. 484	2928. 484	2928. 484	3194. 19	3194. 19	3194. 19	6036
Product profitabilit y, %	16.8	16.8	14.9	14.9	14.9	15.2	15.2	15.2	15.9	15.9	15.9	16.8

These calculations (tables 2,3,4,5,6) indicate that with 100% sales of men's and women's shoes in the specified period of time, not only the costs of production and sales of products are covered, but there is also a profit in the amount of 3697, 4 thousand rubles This testifies to the correct marketing and assortment policy. Profitability of products is 14.9%. When selling 60% of shoes, the company's activities bring insignificant income. Basically, this income is achieved through the sale of men's shoes, since losses are observed in the women's assortment with these volumes. To solve this problem, the conditions for the sale of shoes within a specified period of time, as well as the sales volume of at least 50%, are necessary. If such a situation arises, it is necessary to attract borrowed funds to cover the costs and subsequent output. Most often, enterprises sell shoes through stores with payment after sale, concluding contracts with trade, indicating the timing of receipt of funds to the manufacturer's accounts. In this case, if the footwear is in demand and is sold in full, then the company receives money on time, which is also needed to pay salaries, purchase working capital and other expenses to ensure the development of production. During the year, the company produces 327,903 pairs of shoes. With 100% sales of these products, the company will receive revenue in the amount of 392202.1 thousand rubles. However, this situation is not always the case. if shoes are in demand and are sold in full, then the company receives money on time, which is also needed to pay salaries, purchase working capital and other expenses to ensure the development of production. During the year, the company produces 327,903 pairs of shoes. With 100% sales of these products, the company will receive revenue in the amount of 392202.1 thousand rubles. However, this situation is not always the case. if shoes are in demand and are sold in full, then the company receives money on time, which is also needed to pay salaries, purchase working capital and other expenses to ensure the development of production. During the year, the company produces 327,903 pairs of shoes. With 100% sales of these products, the company will receive revenue in the amount of 392202.1 thousand rubles. However, this situation is not always the case.

For example, when selling autumn low shoes in the amount of 80% of the production volume, the profit is reduced by 43.15% and amounts to only 1178 thousand rubles, while the sale of shoes less than

47.4% of the production volume brings losses to the enterprise. Due to the lack of funds, it is necessary to reduce the volume of production, delay the payment of wages to workers, for which at present the heads of the enterprise are liable, sometimes even criminally. If such a situation arises, it is necessary to attract borrowed funds to cover costs and organize the subsequent release of products, which is currently associated with certain difficulties: the interest on the loan has been significantly increased (up to 18%), the loan repayment period has been reduced, etc., leading to an even greater increase in production costs. In market conditions of management, effective management requires a rational organization of marketing activities, which largely determines the level of use of the means of production at the enterprise, the growth of labor productivity, the reduction of production costs, the increase in profits and profitability. This is due to the fact that marketing activity is not only the sale of finished shoes, but also the orientation of production to meet the effective demand of buyers and active work in the market to maintain and form demand for the company's products, and the organization of effective channels for the distribution and promotion of goods. In a dynamically changing market environment, the performance of an enterprise, including a shoe business, largely depends on the effective results of production, marketing, financial and marketing policy of the enterprise itself, which creates the basis for protection against bankruptcy and a stable position in the domestic market. Thus, shoe enterprises should be as oriented external (consumer enterprises, competition, market conditions, etc.). and on internal factors, such as sales volume, profitability, coverage of basic costs, etc. However, it is impossible to take into account and foresee all the situations that may arise when selling shoes, i. some shoe models are not in demand at a certain stage. In this case, another, usually not advertised, side of marketing should appear: if shoes, even without taking into account market requirements, have already been produced, then they must be sold. For this purpose, in order to respond to competitors' lower prices, it is necessary to reduce too large stocks, get rid of damaged, defective shoes, liquidate leftovers, attract a large number of consumers, stimulate the consumption of shoes, using discounts for this. There are about twenty types of discounts, but for shoes the most common are those



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types of discounts that are used at various levels of the enterprise, sales organizations, and trade. In addition to using discounts, an enterprise can go for an initiative price reduction in case of underutilization of production capacities, a reduction in market share under the pressure of competition from competing enterprises, etc. In this case, the enterprise takes care of its costs, developing measures to reduce them by improving equipment and technology, introducing new types of materials into production, continuous improvement of product quality. And all this requires large financial costs from enterprises, nevertheless, it helps to increase the competitiveness of certain types of leather products and the enterprise as a whole. in addition, the greater the number of footwear products produced, the more production costs are reduced, which leads to lower prices, and most importantly, creates such conditions for the functioning of the market that would not allow other competing enterprises to enter it and would cause a positive reaction from consumers.

With the transition to a new economy, improving the quality and competitiveness of leather products has become a strategic task for all leather and footwear enterprises in the country and the regions of the two districts as a whole, it becomes necessary to take into account the laws and requirements of the market when working, master a new type of economic behavior, adapt all aspects of their activities to changing situation, changes in consumer demand should be taken into account with defending the interests of consumers before the industry. The fulfillment of these tasks is possible only on the basis of an in-depth study by manufacturers of domestic footwear products, the needs of individual groups (consumer

segments), methods for examining the quality and competitiveness of footwear. The current situation in the shoe industry of the Southern Federal District and the North Caucasus Federal District is not least the result of the inability of many managers of shoe enterprises in the Southern Federal District and the North Caucasian Federal District to quickly adapt to the new requirements put forward by the market, to the competition that has arisen from Russian and foreign manufacturers. Therefore, the current situation provokes the development of a development strategy for the production of competitive leather goods in the Southern Federal District and the North Caucasus Federal District. With the implementation of 60% of shoes, the activity of the enterprise brings insignificant income. Basically, this income is achieved through the sale of men's shoes, since losses are observed in the women's assortment with these volumes. A further decrease in sales volumes will lead to an increase in losses. To solve this problem, the conditions for the sale of shoes within a specified period of time, as well as the sales volume of at least 50%, are necessary. If such a situation arises, it is necessary to attract borrowed funds to cover the costs and subsequent output. Table 1, using the example of winter children's shoes, shows the relationship between revenue, costs and production volume, by managing which you can analyze the financial results of the enterprise and make timely decisions to replace an assortment that is not in demand with a new one that is more in demand. Table 7 shows the final results of the calculation for the entire range of shoes, focusing only on profit and loss at various sales volumes per month.

Table 7. The impact of the sale of shoes on the financial condition of enterprises on the example of winter children's shoes

In diastana	ı	The value of	the indicator for	r various sale	s volumes pe	er month (%)	
Indicators	100	80	72	60	40	30	20
1	2	3	4	5	6	7	8
Volume of sales, steam	31020	24816	22334	18612	12408	9306	6204
The price of one pair, rub.	890.9	890.9	890.9	890.9	890.9	890.9	890.9
Sales proceeds, thousand rubles	27635.72	22108.57	19897.36	16581.43	11054.28	8290.72	5527.14
Unit cost, thousand rubles	795.41	795.41	795.41	795.41	795.41	795.41	795.41
Total cost, thousand rubles, including	24673.63	21307.73	19897.36	18121.82	14845.93	13207.98	11570.03
Fixed costs, thousand rubles	8294.13	8294.13	8294.13	8294.13	8294.13	8294.13	8294.13
Conditionally variable costs, thousand rubles	16379.5	13013.6	11629.44	9827.69	6551.8	4913.85	327.59
Profit (+)	2962.09	800.84	-	-	-	-	-



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Loss (-) from sales, thousand rubles	-	-	0	-1540.39	-3791.93	-4917.26	-6042.89
Taxes, thousand rubles	592.418	160.168	-	-	-	-	-
Net profit, thousand rubles	2369.672	640.672	-	-	-	-	-

Table 8. The impact of footwear sales on the financial condition of enterprises

T 1'		The value of	the indicato	r for various	sales volumes	per month (%	6)
Indicators	100	80	72	60	40	30	20
1	2	3	4	5	6	7	8
in the production of cl	hildren's shoe	es		-	1	•	•
winter							
Profit (+)	2962.09	800.84	-	-	-	-	-
Loss (-) from sales,			0	1540.20	2701.02	4017.26	6042.00
thousand rubles	-	-	0	-1540.39	-3791.93	-4917.26	-6042.89
autumn							
Profit (+)	2068	104.54	-	-	-	-	-
Loss (-) from sales,		_	0	-1858.92	-3822.4	-4804.25	-5785.8
thousand rubles	_	-	U	-1030.92	-3622.4	-4604.23	-3763.6
summer							
Profit (+)	1422	-	-	-	-	-	-
Loss (-) from sales,	_	0	-340.72	-2103.45	-3866.12	-4748.03	-5628.9
thousand rubles	_	U	-340.72	-2103.43	-3600.12	-4/46.03	-3026.9
spring							
Profit (+)	1537.63	-	-	-	-	-	-
Loss (-) from sales,		0	-63.04	-1735.16	-3263.51	-4063.78	-4863.98
thousand rubles	_		-03.04	-1/33.10	-3203.31	-4003.78	-4003.90
in the production of w	omen's shoes	S					
summer shoes							
Profit (+)	1648.68	739.69	285.01	-	-	-	-
Loss (-) from sales,	_	_	_	0	-169.31	-623.99	-1648.7
thousand rubles							
autumn boots		•	•		•		
Profit (+)	2490.13	1329.09	168.05	-	-	-	-
,							
Loss (-) from sales,	_	-	-	0	-412.22	-992.98	-2490.1
thousand rubles							
winter boots							
Profit (+)	4508.29	2913.36	1317.64	520.18	-	-	-
Loss (-) from sales,	-	-	-	-	0	-277.3	-4508.3
thousand rubles							
spring shoes							
Profit (+)	1790.91	1276.49	761.04	246.62	0	-	
Loss (-) from sales,	-	-	-	-	0-	-268.84	1790.91
thousand rubles							
in the production of m	nen's shoes						
winter boots							
Profit (+)	2825.44	2260.23	1695.22	-	-	-	-
					4.55	055.00	2027
Loss (-) from sales,	-	-	-	0	-1477.63	-977.93	-2825.4
thousand rubles	1						
autumn low shoes							



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GIF (Australia) $= 0$.	564 ESJI (KZ	= 8.771	IBI (India)	= 4.260
$\mathbf{JIF} \qquad = 1.$.500 SJIF (Mo	(rocco) = 7.184	OAJI (USA)	= 0.350

Profit (+)	2068.81	1161.72	254.64	-	-	-	-
Loss (-) from sales, thousand rubles	-	-	-	0	-652.46	-1106.4	-2068.8
spring low shoes							
Profit (+)	2730.7	1727.51	724.44	-	-	-	-
Loss (-) from sales, thousand rubles	-	-	-	0	-278.84	-780.38	-2730.7
summer clogs							
Profit (+)	1713.77	943.54	123.47	-	-	-	-
Loss (-) from sales, thousand rubles	-	-	-	0	-596.77	-981.89	-1713.8

Table 9 shows the impact of cash flow when tracking the sale of only a certain type of footwear during each month. The results obtained again confirmed the high efficiency of using the software product developed by the authors to monitor the

financial condition of an enterprise in order to guarantee its stability and obtaining high TEC, and their products to ensure competitiveness and demand in domestic markets with unstable growth.

Table 9. The impact of the sale of the entire range of footwear on the financial condition of enterprises

Indicators	The value of	the indicator for differ	ent sales volumes per	r month, %
Indicators	100	80	60	40
1	2	3	4	5
summer range of shoes				
Profit (+)	3660.56	1961.85	264.01	=
Loss (-) from sales, thousand rubles	-	-	-	-1434.8
autumn assortment of shoes				
Profit (+)	4892.69	2829.04	765.82	-
Loss (-) from sales, thousand rubles	-	1	-	-1298.25
winter range of footwear				
Profit (+)	7545.06	4842.11	2141.28	-
Loss (-) from sales, thousand rubles	-	-	-	-561.16
spring assortment of shoes	<u> </u>			
Profit (+)	4621.78	3245.42	215.23	-
Loss (-) from sales, thousand rubles	-	-	-	-1243.14

Most often, an enterprise sells shoes through stores with payment after sale, concluding contracts with trade, indicating the timing of receipt of funds to the manufacturer's accounts. Table 10 shows the calculations of cash flow receipts based on the results of the enterprise's work for the year.

Table 10. Annual results of the shoe enterprise in production the entire range of shoes

Indicators	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sen.	Oct.	Nov.	Dec.
Sales volume, pairs	26114	26114	29661	19967	29661	28168	28168	28168	25358	25358	25358	26114
Sales proceeds, thousand rubles	45032.84	45032.84	31026.82	31026.82	31026.82	24033.9	24033.9	24033.9	30640.47	30640.47	30640.47	45032.84



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Unit cost of production, rub.	1435.54	1435.54	890.2	890.2	890.2	726.7	726.7	726.7	1024.58	1024.58	1024.58	1435.54
Full cost, thousand rubles	37487.78	37487.78	26405.04	26405.04	26405.04	20373.34	20373.34	20373.34	25747.78	25747.78	25747.78	37487.78
Profit from sales, thousand rubles	7545.06	7545.06	4621.78	4621.78	4621.78	3660.56	3660.56	3660.56	4892.69	4892.69	4892.69	7545.06
Income tax, thousand rubles	1509	1509	924.36	924.36	924.36	732.112	732.112	732.112	5.876	978.5	978.5	1509
Net profit, thousand rubles	9809	9809	3697.4	3697.4	3697.4	2928.448	2928.448	2928.448	3914.19	3914.19	3914.19	9809
Product profitability, %	16.8	16.8	14.9	14.9	14.9	15.2	15.2	15.2	15.9	15.9	15.9	16.8

In this case, if the footwear is in demand and is sold in full, then the company receives money on time, which is also needed to pay salaries, purchase working capital and other expenses to ensure the development of production. During the year, the company produces 327,903 pairs of shoes. With 100% sales of these products, the company will receive revenue in the amount of 392202.1 thousand rubles. However, this situation is not always the case. For example, when selling autumn low shoes in the amount of 80% of the production volume, the profit is reduced by 43.15% and amounts to only 1178 thousand rubles, while the sale of shoes less than 47.4% of the production volume brings losses to the enterprise. Due to the lack of funds, it is necessary to reduce the volume of production, delay the payment of wages to workers, for which at present the heads of the enterprise are liable, sometimes even criminally. If such a situation arises, it is necessary to attract borrowed funds to cover costs and organize subsequent production, which is currently associated with certain difficulties: the interest on the loan has been significantly increased (up to 18%), the loan repayment period has been reduced, etc., leading to an even greater increase in production costs. Shoe enterprises should focus on both external (consumer enterprises, competition, market conditions, etc.) and internal factors, such as sales volume, profitability, covering basic costs, etc. However, it is impossible to take into account and foresee all situations that may arise. when selling shoes, i.e. some shoe models are not in demand at a certain stage. In this case, another, usually not advertised, side of marketing should appear: if shoes, without taking into account market requirements, have already been produced, then they

must be sold. For this purpose, in order to respond to lower prices of competitors, it is necessary to reduce too large stocks, get rid of damaged, defective shoes, liquidate leftovers, attract a large number of consumers, stimulate shoe consumption using discounts. There are about twenty types of discounts, but for shoes the most common are those types of discounts that are used at various levels of the enterprise, sales organizations, and trade. In addition to using discounts, an enterprise can go for an initiative price reduction in case of underutilization of production capacities, reduction of market share under the pressure of competition from competing enterprises, etc. In this case, the enterprise takes care of its costs, developing measures to reduce them by improving equipment and technology, introducing new types of materials into production, and constantly improving the quality of products. And all this requires large financial costs from enterprises, but, nevertheless, contributes to an increase in the competitiveness of certain types of leather products and the enterprise as a whole. In addition, the greater the number of footwear products produced, the more production costs are reduced, which leads to lower prices, and most importantly, creates such conditions for the functioning of the market that would not allow other competing enterprises to enter it and would cause a positive reaction from consumers.

An assortment policy has been developed for the formation of competitive men's, women's and children's shoes, taking into account factors affecting consumer demand: compliance with the main fashion trends, economic, social and climatic features of the regions of the Southern Federal District and the North Caucasus Federal District, the production of which



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using modern innovative technological processes, as well as to meet demand elite consumer, with the use of manual labor create the basis for meeting the demand for shoes for the buyer of these regions. Innovative technological processes have been developed for the production of men's, women's and children's shoes using modern technological equipment with advanced nanotechnologies, which form the basis for reducing the cost of footwear and providing it with increased competitiveness with the products of leading foreign companies.

Layouts of technological equipment are proposed, on the basis of which it is possible to form a technological process for the production of men's and children's, as well as women's shoes with optimal power from the production area and the form of organization of production. Software has been developed for calculating cash receipts from the operating activities of shoe enterprises based on assessing the degree of implementation and dynamics of production and sales of products, determining the influence of factors on the change in the value of these indicators, identifying on-farm reserves developing measures for their development, which are aimed at accelerating the turnover of products and reducing losses, which guarantees that enterprises receive stable TEPs and prevents them from bankruptcy. Software has been developed for the formation of the technological process of assembling shoes and determining the cost of producing an assortment of shoes. A computer simulation model has been implemented that describes the dynamics of shoe assembly process. The proposed methodology and the software implemented on this basis make it possible to reduce the duration of technological preparation for production and increase, due to the rationalization of the technological process, the specific consumer effect of footwear. The complex indicators of the effectiveness of innovative technological processes for the manufacture of shoes are calculated. Taking into account the production program, promising options for technology and equipment have been formed, the most effective one has been selected; the possibilities of streamlining the flow were identified, allowing to eliminate bottlenecks, to minimize equipment downtime, which is one of the conditions for designing innovative technological processes. The reliability of the calculations carried out to assess the effectiveness of technological processes using targeted programming methods for various technological and organizational solutions is confirmed by calculations of economic efficiency indicators: cost, profit and profitability, etc.

The proposed technique allows to reduce the duration of technological preparation of production and reduce the time of expert work while maintaining the required depth and validity of engineering conclusions. The economic effect of the research is expressed in the intellectualization of the work of a

technologist with a reduction in the time spent on developing an assortment of manufactured shoes and evaluating the effectiveness of technological processes in comparison with a typical economic calculation of the total cost of manufacturing shoes.

The analysis of the influence of the forms of organization of production and manufacturing technology on the cost of footwear was carried out using the example of the technological process of manufacturing children's, women's and men's shoes, taking into account the shift program. Theoretical dependencies are obtained to assess the influence of the factor "organization of production" on individual costing items in general and other technical and economic indicators in order to prevent enterprises from bankruptcy. Consequently, only the joint efforts of the regional and municipal branches of government and heads of enterprises will provoke a situation where, due to the technical and economic indicators of the activities of enterprises located in these regions, the foundations for a significant improvement in the social situation of the inhabitants of these regions will actually be created. The globalization of business forces us to look for adequate quality management. Total quality management is defined as a customercentered system of continuous sustainable quality improvement, based on the coordinated involvement of all departments and employees of organizations in the maximum satisfaction of customer needs with a minimum investment of time and resources. The emphasis of the policy aimed at ensuring quality, taking into account the needs of the buyer, involves a comprehensive study of his tastes, calculations, designs. In essence, the consumer is considered a participant in the definition of quality. Quality in the 21st century requires a new scale of understanding, objectification of consumer interest and a clear orientation in the trends of macroeconomic processes on a national and global scale. The technical regulation of product quality also needs to be systematically modified to be in tune with the microand macro-movements of the economy, changes in consumer real demand. In particular, there are reasons to predict an increase in the presence of sellers from Western Europe in the consumer market with offers within the average price range for goods of "non-Chinese" quality. In 2018, 350 million people in industrialized countries earned an average of \$18 an hour. The labor force available to European and individual Asian countries is estimated at 1 billion 200 million people and earns so far only \$ 2 per hour. They cannot but attract the attention of developed economies.

The crisis of 2008-2010 led to a decline in production, stagnation. Russian manufacturers have a chance to make themselves known. With the crisis over, production will begin to grow and a new wave of commodity expansion will come to the Russian consumer market. It is unlikely that you will be able



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to escape the wave. The country's leaders have accelerated Russia's accession to the World Trade Organization (WTO), which automatically opens the borders for trade. There is only one way out - to prepare for tougher competition, and preparation should begin with the realization that there is a quality of the product, and how to ensure the production of a real - not ideally built by professional imagination - high-quality product, the quality of which would be clear to the buyer and aroused the desire to definitely purchase this product. The situation changes with the advent of consciousness. All main areas of activity of consciousness:

cognitive; communicative; regulatory

appear in the format of reflection of objects, and reflections are fundamentally different than all known in nature. Strictly speaking, consciousness reflects in the most general sense - reproduces. In a concrete sense, it reconstructs objects, because it is not capable of reflecting an object in a physical representation. The expression: "we look with our eyes, but we see with our mind" quite correctly reveals the essence of the "reflection" of an object in the forms of thinking. If the image is still somehow comparable with the object, then the ideas are very far from objective certainty. At the same time, one thing remains: to recognize the qualitative relationship of the object and the reconstruction of the object by consciousness similar in essence, but not in the form of being. An object for consciousness acquires a specific mode of existence - it becomes an object. An object is a product of interaction between an object and consciousness. Along with the object comes the quality of the object, which may coincide with the objective quality of the object, or not - in the case when the subject enters into system relations with the object, forms a system of the "subject-object" type. The correct definition of consistency and systematic quality, management gives the manufacturer a decisive advantage in the competition for the consumer. It would seem that everything is simple, but simplicity is equally ingenious and deceptive. The general plan for solving the problem determines the vector of movement, sets the factorial priorities of the activity nothing more. The product produced by man is dual in nature, it combines the natural properties of raw materials and the features introduced into it by human labor. A product has a rental value and an added value. In this context, it is not the cost that is important - it serves as a quantitative equivalent of the quality of the goods in general, and the result of labor in the form of a transformation of the natural state of the object. The product of human activity has a natural, basic level and a superstructural, introduced one. Hence the need for a dualistic perception of the quality of the product, which should not be interpreted primitively as a double quality. The quality of the commodity is one,

but the production duality of the product is associated with it.

Such a two-sided quality of the goods misleads those who, without understanding the art of dialectical thinking, seek to put everything "on the shelves", forgetting about the structure of which these shelves are parts. The quality of the goods is only determined by a natural basis, but it is built artificially. The quality of goods has several creators. Some of them - a fashion designer, designer, technologist, manager are always in sight, their qualifications and experience are measured without problems. Others are also within reach, only their measurement is difficult, especially when it comes to the consumer. The economic conjuncture affects both producers and consumers, shakes the market on the waves of its uneven movement, and along with purchasing power, the idea of quality. Let's look at the plot one more, usually of little interest to the manufacturer, the area of mental response, as the subconscious, Z. Freud is not in demand by managers and marketers in vain. Our bazaar is now being formed "according to concepts", but with the displacement of the "extra people" of the new time from it, the "underground" - subconscious mechanisms of consumer thinking will effectively work, and those who take into account the features of the "cellars" of consciousness will receive a significant gain. Our emphasis on market research should not be seen as a call to look in the market for keys to quality. Thus, we want to emphasize the importance of the market factor in the development of the doctrine of the quality of goods. The market attracts attention as a concentration of opposing interests, a "frontal" place where some "execute" others, then "execute" these others. Americans rightly consider the market a "holy" thing for society.

In the United States, a lot of money is spent on studying market trajectories, unlike our capitalists, of whom every second is "illegal" in the economy, and the third is a representative of the "gray" economy. In such a situation, try to get an objective result of researching the "spirit" of the market, monitor the mood on the market with the expectation of getting closer to a true reflection of the existing attitude towards the product. The difference between the actual quality of the goods and the understanding of quality is becoming more and more significant. In determining the quality of a product, such factors are taken into account that are irrelevant to consumer attitudes: the environmental component, the traditions of the manufacturer, etc. Let's add to what has been said and views that do not coincide in a number of positions, we get an interesting picture: no matter how hard the interacting subjects of relations try to develop a consensus of quality, discrepancies will persist and increase over time. If the natural properties, taken in the initial state of the product and taken into account in its quality, should not change significantly during the warranty period, then the perception of the product



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- through the declared quality - changes under the influence of many reasons. That is why leading manufacturers so quickly review their product range, look for new design ideas, try not to be hostages of traditions, minimizing their presence and modifying them as much as possible.

The quality of the expression of the spiritual component in it is little studied. The prospect, on the contrary, urgently requires such knowledge, the development of methods for obtaining and evaluating it. We must come to terms with the fact that the era of workshop production, when the quality of the product and the image of the quality of the product coincided due to the lack of competition, has passed forever. Then consciousness had nothing to choose from. The quality of the goods was dictated by the guilds, since no one could oppose them.

In the 21st century, the situation is different. The image of quality in our time is no less significant for the market than the very objective quality of the product. As soon as the subject of production turns into an object, the human component is included in the quality of the object and it is completed in a way that is combined with the object into a common quality system.

The producer who is able to unravel the tangle of subjective-objective relations that form the quality of the goods presented to the buyer is able to satisfy the market need. When they were students, today's specialists most often did not understand why philosophers explain the "objective" and "subjective" to them. It seemed that the teachers were engaged in irrelevant business.

Analysts describe the world surrounding the modern manufacturer rather harshly; the consumer dictates what, when, at what price and in what form he wants to receive; The competition in the market is intensifying due to its globalization: the needs of buyers and the situation in the market are changing at an ever-increasing rate."

From the outside, what is happening looks very chaotic, it raises doubts about the systemic organization of relations. Nevertheless, we are not facing chaos, but a complex system that obliges us to think systematically. No matter how fantasies the master constructing the castle is guided by, he knows that there is someone who can make a key to it and gain access, because all creativity begins with chaos and ends with the acquisition of order.

Outwardly, the determination of the quality of a product produced for sale on the market seems to be an impossible task, because for this it is necessary to combine not converging, but, basically, diverging views. Involuntarily, Krylov's fish, crayfish and pike, who undertook to drag the cart, are recalled. In our case, there are even more subjects. The designer, technologist, manager develop their understanding of the quality of the goods - they can be combined - they are connected by the common interest of the

manufacturer. The buyer has a special approach to quality. As a consumer, he is not sure about the integrity of the manufacturer. In addition, the buyer has his own tastes, reasons, due to the real buying opportunity. There are also the interests of the market, which has become an independent subject of the economy. Speculation is legalized, attracts with its potential. Controlling the market an intermediary - a speculator is able to form an image of quality in his own interests, in particular, through advertising, the provision of priorities, etc. Finally, there is the quality of the product itself, expressed in the totality of properties of natural origin and added by the manufacturer, as a result, we came to the "quality square", which combines the qualities of the product and the image of quality.

Consensus quality is not true quality. "Agreement" on quality is a phantom of virtual reality. No documents, procedures. Everything is done "in the dark", because there are too many factors, their dynamics are great, interests are contradictory. However, the spontaneous genesis of "consensus quality" should not confuse anyone.

The evolution of nature without human intervention is an exclusively spontaneous process, built on random intersections, from which the necessary connection arises, becoming stable, repetitive, general, that is, a law. Chance and necessity are correlative dialectical relations, as well as chaos and order. Chaos is not opposed to order, it is different from concrete order. Chaos is not order in a particular case in relation to some decency. In general terms, chaos is also order: not yet open to the observer. Before analyzing the factors that ultimately determine "consensus quality", let us dwell on one more aspect of the problem of quality that remains aside for researchers - the heterogeneity of the content of the concept of "quality". The content of the concept of "quality" in relation to a commercial product should be structured depending on the nature of the properties included in the content. The properties that form the content of the concept of product quality are divided into three groups: objective properties, intersubjective and individual (subjective). Objective properties (signs) reflect the natural foundations of the concept. For example, natural raw materials, or synthetic, for shoes, clothes, haberdashery products. Intersubjective ones are formed as products of the activity of the consciousness of participants in economic relations: a producer, an intermediary, a consumer, supervisory organizations, national traditions, world trends. In a certain sense, one can speak of intersubjective representations as conditionally objective, objectified in collective thinking. At the top of the pyramid of properties.

Every general exists objectively, but only through the individual. At the end of the process, there is always a single, specific buyer, Pyotr Stepanovich Sidorov, and boots, which Pyotr Stepanovich chose



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from dozens of different ones. They seemed to him the best in quality and price. The seller-consultant professionally explained to Petr Stepanovich that there are boots of better quality and the same in the price range, but, being an independent person, he did not change his mind. This is why pre-sales product culture is important. The last word belongs to the buyer, his perception of the quality of the goods. Everything else just plays along with him. The most serious contradiction, apparently, remains the divergence in the images of the quality of the product by the manufacturer and the consumer. The special importance of a different approach to the quality of the manufacturer and consumer is natural. They are the main subjects of the system of economic relations, they have a common goal - the product. The former produce it, the latter consume it, but they have different motives due to their different position in the system and the culture of perceiving the goal. The manufacturer creates a product, but not a product, the ultimate goal of the manufacturer is the sale of the product. The direct connection between the producer and the consumer is therefore local, which negatively affects the producer. The seller blocks the consumer from the manufacturer, and the manufacturer is forced to focus not on the market, but on the market situation, most often artificially formed by the speculator and advertising, due to different position in the system and culture of perception of the goal. The manufacturer creates a product, but not a product, the ultimate goal of the manufacturer is the sale of the product. The direct connection between the producer and the consumer is therefore local, which negatively affects the producer. The seller blocks the consumer from the manufacturer, and the manufacturer is forced to focus not on the market, but on the market situation, most often artificially formed by the speculator and advertising. due to different position in the system and culture of perception of the goal. The manufacturer creates a product, but not a product, the ultimate goal of the manufacturer is the sale of the product. The direct connection between the producer and the consumer is therefore local, which negatively affects the producer. The seller blocks the consumer from the manufacturer, and the manufacturer is forced to focus not on the market, but on the market situation, most often artificially formed by the speculator and advertising.

Money is possible, and "does not smell", the advertising policy frankly stinks, it is so far from objectivity and free from professional honor. Being in a state of irresponsibility for information, advertising serves the market clearly and in any form.

The manufacturer, unlike the seller, is responsible for information both by law and by his professional reputation. The seller manipulates information as he sees fit, the manufacturer is constrained by responsibility, and the market often dictates the rules of relations to him.

What is the output for the manufacturer? There is only one way out - a direct presence in the market and significant investments in the education and education of consumers. It is difficult to overcome such a program alone, but united, it is absolutely real. The domestic manufacturer has everything necessary to force out the speculator from the retail market. It has professional experience, qualified personnel, scientific and technical support, a certain confidence of buyers returning to the previous, pre-reform priorities, which are actively exploited unscrupulous manufacturers and which the authorities bashfully close their eyes to, not wanting to return to the Soviet experience. Confectioners, meat makers, winemakers shamelessly use Soviet brands, replacing them with surrogates. The brands of Vyatka, Orenburg, Ivanovo, some Moscow and Leningrad enterprises. The return trend is gaining momentum. Of course, clothes and shoes are not sausage and vodka, or chocolate and confectionery products of natural origin. At the same time, all goods have something in common - the responsibility of the producers. In the old days, the consumer was completely dependent on the manufacturer. The market was closed, the choice was dictated, that is, in essence, the buyer did not have it. Today, the consumer has more opportunities to choose, satisfying his taste. The new configuration of relations on the market and the manufacturer needs to take advantage. The modern Russian market satisfies the tastes of the consumer only from the outside, in fact, our market rather woke up, provoked the taste of the buyer with its diversity. The real choice of the mass buyer, for which this market is designed, is still small. Objectively high-quality, high-tech products of average capabilities to the Russian, as before, are inaccessible. He admires them, as if they were models, or gets annoyed, realizing that all this is not for him. Chinese consumer goods have lost their appeal. Turkey and Eastern European producers are forced to adapt to WTO requirements. The goods they offer are growing in price, but not in quality. The price is also helped by the disproportionate increase transportation costs. Turkey and Eastern European producers are forced to adapt to WTO requirements. The goods they offer are growing in price, but not in quality. The price is also helped by the disproportionate increase in transportation costs. Turkey and Eastern European producers are forced to adapt to WTO requirements. The goods they offer are growing in price, but not in quality. The price is also disproportionate increase helped by the transportation costs.

In the new market conditions that have awakened the taste of the consumer, it is important to try to take control of it. This is not about changing the economic strategy based on quality management. We draw attention to the component of this strategy. In the West, a version is gaining strength, the essence of which is that the economy is becoming "smart", the



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stage of systemic quality management is moving into a new stage - the quality of education. If this is the case, then attention to educating the taste of the consumer fits perfectly into the strategy of economic policy.

The consumer lives in a specific environment, forming a certain symbiosis with it. Access to the mind of the consumer is effective both in direct application and through the environment of life. While the manufacturer - sluggishly and the market - are vigorously fighting for the buyer, presenting him in their marketing research as a kind of ready-made, statistical subject that needs to be lured with an offer. The real battle for the consumer lies ahead when the manufacturer understands the benefits of a full-scale consumer education and education program. The consumer must be prepared, then he will go through the market labyrinths given by the route.

Belief in the miraculous power of advertising is a dangerous companion for a manufacturer. Advertising was presented as the engine of progress by the advertisers themselves and the market, which is fundamentally not responsible for anything. An exclusive product is advertised extremely rarely - it has a regular consumer with a well-formed taste and exclusive purchasing potential. Such a buyer is simply informed, he is satisfied with the presentation of the collection, especially not sparing money.

An ill-mannered and unenlightened buyer is invited by advertising, whose credulity to advertising is inversely proportional to the state of knowledge and taste. The mass consumer is given over to the slaughter of advertising and market arbitrariness. For responsible producers, instead of complaining about fate, it's time to turn around and enter into spiritual contact with the consumer. It is naive to hope that the consumer will independently get out of the fake scenery of the market and advertising. But even if the consumer manages to overcome the ingenious inventions of the market, then by that time domestic producers will become relic phenomena and the revival of the activities of national producers will lose social relevance.

The business of educating your customer is costly, troublesome, unknown, difficult, requiring great patience, the ability to appreciate the slow, uneven progress towards the goal, to "butt" with everyone who declared himself and his occupation a supranational, democratic phenomenon and makes a name for himself on speculation in the field of universal values.

No one disputes the priority of universal human interests, but the need for all-round protection of national security is also undeniable. And without the modern production of essential goods for a person, national security cannot be ensured. So, domestic producers will have to solve a dilemma: either simultaneously with the development of production to produce their own consumer, or continue to moan

about the outrage that is being created and squeeze out to the market periphery closer to the edge of the market and its end.

The revival of the domestic light industry will also force the market situation to change, the market will be forced to respond, because its interests are determined by the dynamics of consumer demand. Then it will be easier to breathe for many: producers, consumers, will feel the national taste and intermediaries.

Work with the consumer should be built systematically in the format of the target program. Its main sections, presumably, will be, along with the improvement of production and assortment, educational and interactive communications with a potential buyer.

Tightly engaged in educating the taste of the consumer, manufacturers themselves will be forced to improve their skills. No wonder they say that the best way to educate yourself is to try to teach others. Even a priori, from the outside, it is possible to be deceived without the risk of asserting that the manufacturer has considerable reserves for improvement in all areas of activity. The first steps, we repeat, must be done towards the consumer. You can not trust the consumer to the "concerns" of the intermediary, since it is unreasonable to leave the consumer alone with himself - he should be taken as associates, "accomplices", and seriously prepared for the perception of the product.

Fashion and quality are like symphonic music. They are polyphonic. Just as it is necessary to prepare the ear for the perception of a complex piece of music, so does the mind for evaluating the product. Shoes, clothes - this is not a simple product. They accumulate the high professional status of the manufacturer, his skill, and the experience of generations. The buyer must be connected to the joint process not at the final moment: "money is a commodity", but somewhere in the technological process.

When a wave of protest against the construction and operation of nuclear power plants began throughout Europe, the French opened access to those who wished to get acquainted with the work of nuclear power plants. They realized in time that it is difficult to convince with a word, it is necessary to give an opportunity to a person from outside to look and decide for himself. Schoolchildren went on excursions to the nuclear power plant, they were given meetings with specialists, video clips were shown, and a program was specially developed. And the work done was crowned with success. The doubters have overcome the critical attitude, "re-educated". Especially after they calculated with a calculator how much it would cost to stop the nuclear power plant, who would benefit from re-profiling the production of electricity in a country that does not have hydrocarbon raw materials. The French have lived in a market



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economy for centuries and have learned to value both personal wealth and national security.

Few people understood that any stone thrown into national history ends up in the national present and future. Who needed to "break the connection of times"? Those who wanted to change the situation on the market and make their own business on it. The buyer was convinced that everything domestic is no good, it is necessary to purchase foreign. Formula: "Everything is bad!" - has been known for a long time and works well in troubled times. It would be falsely patriotic to say: "We are doing well!". However, the domestic manufacturer did not sew his products out of the blue. The approach must be differentiated. By replacing Russian products with Chinese ones with the help of advertising and pricing policy, the sellers not only deceived the buyer, but undermined the position of the national manufacturer during the crisis, instead of rebuilding production in alliance with it and forming their own market. The market must have imported products. The crucian dozes if there is no pike. The market is synonymous with competition. Competition is vital, but competition is always politics, and not only economic. The state does not have the right to be free from the market:

firstly, the state is called upon to ensure national security and express the interests of its people in everything that is done on the territory of the country;

secondly, the constitution of the Russian Federation says: "The Russian Federation is a welfare state." And the Russian government in the 1990s was not afraid of the market, it built the market just like that, because it was itself a part of this market. The authorities created the market for themselves, knowing about the fragility of such a market and themselves in that form.

The change of leaders in Russian politics took place when the market fulfilled its political function: it illegally enriched the reformers and made the national producer an appendage of foreign production. The consumer is ripe for a serious relationship with the manufacturer. Word for the last. Manufacturers must be the first to take steps towards a smart economy and lead consumers. It is not always clear what an "innovative solution", "intellectual capital" is? This is a new policy of the manufacturer in relations with the consumer, aimed at achieving mutual trust. The consumer must trust the producer, the producer must contribute to the formation of a sustainable choice of the consumer, the taste of which he is called upon to educate. The formation of a civilized market was one of the main tasks of the action plan for the development of light industry for 2018-2025. Despite the well-known positive dynamics, the situation cannot be reversed. The market share of domestic goods remains below 25%. More than 50% are counterfeit and contraband products. More than half of the sold garments, fur, outerwear and footwear are concentrated in the

clothing markets. The image of goods, their quality, as before, builds a clothing market. The clothing market is associated with gross violations, substitution of products in stores. The lion's share of one and a half trillion rubles is "spinning" on the clothing market. The market is everywhere "protected" by the authorities. More than 50% are counterfeit and contraband products. More than half of the sold garments, fur, outerwear and footwear concentrated in the clothing markets. The image of goods, their quality, as before, builds a clothing market. The clothing market is associated with gross violations, substitution of products in stores. The lion's share of one and a half trillion rubles is "spinning" on the clothing market. The market is everywhere "protected" by the authorities. More than 50% are counterfeit and contraband products. More than half of the sold garments, fur, outerwear and footwear are concentrated in the clothing markets. The image of goods, their quality, as before, builds a clothing market. The clothing market is associated with gross violations, substitution of products in stores. The lion's share of one and a half trillion rubles is "spinning" on the clothing market. The market is everywhere "protected" by the authorities.

It will not be possible to overcome the hypertrophy of the market overnight, and how long the process of strengthening the status of the official domestic manufacturer in the market depends on a number of factors: political will, which ensures the consistency and vigor of the struggle (here one can transfer without discussion the American practice of suppressing mafia structures); the size of investments - the state traditionally shifts them to extra-budgetary organizations; development of the raw material base back in 2006, the Ministry of Agriculture was obliged to reflect in the departmental program urgent measures to combat the subcutaneous gadfly, prevent and improve cattle from hypodermatosis for 2010-2015, but how all this happens in our country is known: sheep breeding is in a protracted crisis, hunting has been drastically reduced cell fur cultivation has been reduced to a minimum and continues to fall; promotion of export production remains on stamped paper; as well as the development of innovation and training of qualified personnel. Innovative activity in our time is due to investments in R&D - they are scanty. In such a difficult situation, an extraordinary solution can help, and it exists, although it was bypassed in state circulars.

A counterfeit and a contraband product, which is most often the same thing, has always been on the market and in stock. The difference is that in Soviet times the amount of illegal product depended on the rigidity of state control over illegal activities, and such rigidity did not irritate the West. No one tried to put sticks in the wheels for us, on the contrary, they showed understanding. In 2021, as well as over the past 20 years, illegal immigrants in the clothing



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market openly establish their own rules. The preventive measures are so democratic that they can be neglected without prejudice to business. The reason for the flourishing of illegal relations in the legal market is not the existence of criminal groups - they are consumers of counterfeit goods. And the current market will not allow domestic producers to develop. The market cannot voluntarily share its buyer with anyone, and you can't take the power of the buyer, you need to re-recruit him, interested in domestic products. And here many questions arise:

Firstly, it is useless to go to a corrupt market from own production of competitive products. They will set their own price there, they need to launder money received in other areas of business, also illegal, but more profitable. The enterprise is interested in working capital, that is, in quickly selling the product at a profitable, but not overpriced price. Requires state intervention;

secondly, "they don't argue about tastes, but they educate tastes." By changing the position of their products with the help of the competent authorities on the market, or by cooperating and opening their own sales market, domestic manufacturers have the opportunity to split off part of the buyer from the market masses and make this part of their own, with a good prospect, without deceiving the consumer, to significantly increase the ranks of fans of Russian goods.

Specialists need to go to schools, universities, technical schools, colleges, colleges, organize meetings with interesting people, demonstrate products, production, open joint creative circles, hold contests, quizzes, disputes. We need to open production. Some time will have to be patient, apparently, the diversion of funds will cause a slight decrease in economic indicators. Everyone knows that in order to jump further or higher, you need to retreat.

It is surprising that there is no section in the industry development program aimed at forming their own consumer sector. The program is tailored according to the patterns of the Soviet era, without taking into account modern realities, with the exception of an indication of the need to more actively involve private investment in the process, which is very difficult to implement in the current economic situation. The shadow economy is based on counterfeit goods, "gray" manufacturers prefer to invest in customs to import smuggled goods. The most realistic way seems to be a program to form the sustainability of consumer interest in manufactured products, to tune the taste of the buyer.

Orientation in long-term plans for the export of products, in principle, is the right task. The target setting, pushing the national boundaries of the market, contributes to the involvement of reserves, primarily intellectual ones. The authorities are trying to repeat the Japanese way of reviving industrial production.

Significantly lagging behind the United States and Western Europe technologically in the mid-1950s, Japan in the 1990s pushed the Europeans out of the world market, having gone through four stages of production growth in 40 years. The revival began with copying world models, in which the United States and Canada helped the Japanese, up to providing access to nuclear technology. Then there was a stage of independent development of highquality products identical to the best world models. In the mid-1970s, independent developments were already essentially at the level of the best foreign products, and somewhere the Japanese learned how to make products of better quality. By the 1990s, Japanese goods had become global brands, and they began to be leveled in the United States and Western Europe.

Japanese progress is quite specific, it is unlikely that this will be repeated anywhere on the scale of the "Japanese miracle". Japan was ideally in the right place at the right time, helped by world politics. Now, neither the Europeans nor the United States will organize the highest favored nation treatment for anyone, not even Israel. Nevertheless, the scheme, at least in part, is reasonable to take into account, especially for manufacturers of consumer goods.

Russia has good traditions, technologies that attract foreign consumers who strive for originality and economy. For example, the craftsmen of one of the regions of the Central region brought to the fair of folk crafts in 2012 in Novosibirsk garments made from nettle fiber, which have a proven healing effect. In the manufacture of linen, cedar fibers were used. Western Europe appears to be in a cooling cycle. Snow, which was exotic for residents, is now part of everyday life. Russia has the richest experience in manufacturing ecological clothing and footwear for snowy winters. It is enough to give them a design familiar to Europeans in order to interest a Western buyer, or maybe offer something modern Russian. In a normal European market, the main thing is to be noted, to become recognizable, then to gain a foothold.

At the same time, apparently, one should not follow in the footsteps of the Japanese. In Russia, everyone will have enough of their buyer. The interests of the domestic consumer should be a priority. We all hope, not without reason, that a better time is ahead of us. Changes in consumer orientation will also affect the status of the manufacturer.

The revival of interest in domestic goods will add optimism to domestic producers. It is only important that confidence does not grow into self-confidence.

The basis of the content of this concept is formed by four consecutive actions: professionally built observation of situations, its monitoring - the beginning of the path of innovation and a very crucial moment of scientific knowledge - the description of



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the object. Next - the development of measures for improvement - a positive change in the situation, the main thing here is the organization of the process in a new way, so that a motive appears that stimulates the performer; the next step is implementation and the final act is analysis, the purpose of which is to evaluate the results of implementation and gain experience to start the next round of the spiral of creativity.

The consumer's operation process was located outside the main subject, presenting the infrastructure. Without thinking about the fact that production is not self-sufficient, it is conditioned by consumption or other production, but, ultimately, any production is brought to consumption. The word "production" itself is just the beginning of the phrase: "production of services", "production of a product". The first can be read as "relationship production".

If production is "production of relations (services)", then why do we talk about the quality of production in isolation from the subject of relations, which is opposed to the producer of a product or service? That other subject is the customer of services, products, therefore, he is interested in the quality of production no less than the manufacturer.

The advantage of the manufacturer over the consumer is in professionalism, therefore, it is necessary to spread one's professional knowledge, involve the customer in the circle of professional interests, problems; seriously and for a long time to engage in his upbringing, taking him away from the "brainwashing" in market advertising.

For two decades now, the youth consciousness has been under the pressure of "glamorous" fashion, which reigns supreme in everything: in TV shows specials. issues, youth programs, serials, weather forecasts, programs designed for home life, in the speeches of VIPs, "stars", officials and deputies. One gets the impression that it would be shameful, obscene to live otherwise.

By the way, in the countries that we have to catch up, life is not carried out in the style of "a la glamour." Popular in the USSR and in the Western world, Soviet international journalist, historian V. Zorin recalled the details of an exclusive reception hosted by the mayor of New York, billionaire G. Rockefeller. The mayor rarely met with journalists at work. For our compatriots, an exception was made for political reasons - to support the policy of easing tensions in relations between world leaders.

"Having learned about the consent of G. Rockefeller, V. Zorin said, we were more confused than delighted. It seemed uncomfortable to us to go to the richest man in the United States in our suits and purchased shoes. Our American colleagues did not advise us to fuss, they recommended that we focus on the content side of the dialogue. But we thought otherwise, we were afraid to look unworthy, so we decided to rent costumes from fashion designers for a

day. They came to the meeting in advance, were received by the mayor at the appointed time.

Again, we entered the office with a feeling that our equipment did not correspond to the circumstances. We experienced the real inconvenience when the mayor came out to greet us in a simple work suit and ordinary shoes. And smiled at our sight.

Sheathing should be sought not by the whole world, like the Chinese, but by their own, Russian consumer. He is still able to appreciate the dignity of fellow countrymen, but he must not be left to the mercy of fate.

E. Deming paid special attention to the sociopsychological support of the organization of production. Our today's specialists are looking for the keys to success only in technology and statistics.

The manufacturer is obliged to strive not to create quality. Its goal is production efficiency. The quality of everything in everything is a means of achieving efficiency, a lure, a nozzle in the understanding of a fisherman.

You can get a modern quality product and go bankrupt, because you will not be able to sell the product at a profit. The market will not accept it.

Quality, in the economic application, is a concept that is correlated with efficiency and does not coincide with it, as many people think. Quality management, including the development of technical standards, regulation with their help, involves the modeling of ideas, plans, taking into account the "gateway" of quality goods to the market. Will open, in full measure, the market for innovations access to mass demand, or slightly open.

The consumer is an accomplice of the quality of the product. The division of labor separated the consumer from professional knowledge, the skill of the manufacturer, opposed them, but did not divide them so that they could not depend on each other. They are still a single socio-economic entity.

The modern economy also shows that the producer, opposing himself to the consumer, has turned the arrow of his movement into a dead end. It is necessary to come to grips with the return of the consumer to mutual understanding, for which, first of all, it is necessary to reduce the distance in the professional aspect of relations - to educate and educate in the consumer the subject not of a passive, third-party, random, but of a partner in a common cause.

In the latest economic policy, technical regulation is one of the main conditions for achieving quality standards. It allows balancing the relationship between centrifugal and centripetal forces in the development of production, democratizing production management and at the same time preventing it from sliding into production itself, that is, autonomous self-sufficient production. The system will fall apart if its constituents decide that they themselves are the



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system. Democracy and arbitrariness are incompatible phenomena. Freedom in a democratic interpretation is reasonable only when it is the freedom to act both in one's own interests and in the interests of the system. Control can be in the form of self-control or in the form of centralized activity, but it must take place in the interests of democracy, which, in our context, means the interests of the consumer.

The essence of our position lies in a new perspective of perception in the management of the quality of consumer goods - the interest of the consumer, more precisely, in the transformation of the consumer from a buyer into a "producer". As long as the consumer is left to himself, self-educates himself in a market environment distorted by an unscrupulous producer and advertising in a market environment that is not regulated by responsibility, he is a statistical value for a responsible producer.

All producer plans are based on statistical models that are more or less indicative of the scale of the national economy, but not on the average capabilities of enterprises. In order to replace virtual, speculative guidelines in planning with real, much more viable ones, it is necessary to take the consumer out of the zone of unlikely certainty into the space of cooperation, which gives a much more probable forecast. From a spontaneous, opposing, separate "counter" subject, turn into an accomplice through the education and enlightenment of his consciousness.

The trouble with our current state is not in Chinese commodity expansion - the Chinese have flooded both the United States and half the world with their specific goods, but in the fact that we have left the consumer at the mercy of intermediaries.

Formally, such alienation in Russia during the Yeltsin era looked quite logical and attractive: "to each his own!". The shoemaker sews what he has toboots, shoes, sneakers, etc.; the merchant is busy with his business - the sale of goods; advertising has its profit by helping the merchant. And everyone sought to "shod" consumers.

In reality, the producer found himself in isolation, submitting not to the market, but to market speculators and those who are in their service. The market is a relationship within the "producer-consumer" system. Anything that is built between them breaks their natural relationship. Leading European manufacturers do not allow themselves to supply products to our market. They enter the market themselves, with their network of specialized stores, which are under strict control and carry out independent advertising work with the consumer. By replacing the "consumer" with the "intermediary-buyer", the enterprise forms an uncertain perspective.

The producer, by his dialectical opposite, has a consumer, not a buyer. The consumer also needs to be connected to the problem of technical regulation - to teach him industrial literacy, to educate, to educate. It is necessary to revive the universities of knowledge

for the consumer in a new form. The first legal and organizational foundations for the formation of the Customs Union were determined back in the second half of the 1990s, when the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation adopted the Agreement on the Customs Union of January 6, 2015, the Agreement on the Customs Union of January 20, 2020 and the Treaty on the Customs Union and the Common Economic Space of February 26, 2021, which were generally of a framework, declarative nature. These international treaties determined the goals, principles and mechanism of the Customs Union, stages of its creation. However, the direct formation and development of the international legal framework and the institutional framework of the Customs Union began in 2007, when the Interstate Council of the EurAsEC within the framework of three states - the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation - was endowed with the status of the Supreme Body of the Customs Union and the Commission of the Customs Union was created - a single permanent regulatory body of the Customs Union, the main task of which was to ensure the conditions for its functioning and development.

The Customs Union of Belarus, Kazakhstan and Russia was formed in accordance with the goals and objectives of the Treaty on the Eurasian Economic Community. Three out of five states at the first stage (in accordance with the decision of the Interstate Council of the EurAsEC) from October 6, 2018, began to form the Customs Union and the Common Economic Space, taking into account that these states are the closest to each other in terms of their economic development. In the future, it is expected that other EurAsEC member states - Kyrgyzstan (the application has already been received), Tajikistan and Ukraine - will join the legal framework.

The Customs Union of Belarus, Kazakhstan and Russia provides for a single customs territory, within which in mutual trade in goods originating in a single customs territory, as well as originating from third countries and released for free circulation in this customs territory, customs duties and restrictions of an economic nature are not applied, with the exception of special protective, anti-dumping and countervailing measures. On the territories of the CU member states, a single customs tariff and other uniform measures for regulating trade in goods with third countries are applied.

The customs union within the framework of the EurAsEC (CU) became the basis for the formation of the Common Economic Space (CES). The CES is a qualitatively deeper form of integration, providing for the free movement of not only goods, but also services, capital, and labor resources within the common customs territory of the CU. To this end, along with the unification of foreign trade regulation, the parameters of macroeconomic policy, the tax



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system, antimonopoly and labor legislation, and migration policy should be harmonized.

The regulation of these integration processes required the creation of its own institutional system, i.e. bodies empowered to adopt international treaties and other normative legal acts (rules, regulations, recommendations), by their decisions.

In accordance with Article 1 of the Treaty on the Eurasian Economic Commission dated November 18, 2021, the Parties established the EEC as the single permanent regulatory body of the Customs Union and the Common Economic Space.

The Commission consists of the Council of the Commission and the Collegium of the Commission. The procedure for the activities of the Council and the Collegium is regulated by the Rules of Procedure of the Commission, approved by the Supreme Eurasian Economic Council at the level of heads of state.

As part of its activities, the Commission has the right to form structural subdivisions (hereinafter referred to as the Departments of the Commission), representative offices of the Commission in the Parties, by decision of the Supreme Eurasian Economic Council at the level of heads of state in third countries and their associations, as well as at international organizations. The EEC, within its powers, adopts decisions that are binding on the Parties, and recommendations that are not binding. These decisions are included in the contractual and legal framework of the Customs Union and the Common Economic Space and are subject to direct application on the territories of the CU member states.

The Council consists of one representative from each Party, who is a deputy head of government, endowed with the necessary powers, in accordance with the legislation of the respective Party. Council meetings are held as needed, but at least once a quarter. The time and place of the next meeting of the Council are determined at the previous meeting of the Council. A significant step in the development of the institutional framework of the Customs Union was made on December 12, 2018.

In order to further form the institutional framework of the Customs Union at the level of heads of government, the Agreement on the Secretariat of the Customs Union Commission was adopted. This is the working body of the Commission, the main function of which is the organizational and legal support of its activities. The Rules of Procedure of the Commission of the Customs Union were also approved, establishing the procedure for preparing and holding meetings of the Commission, the procedure for making decisions, their publication and entry into force. The new version of these Rules of Procedure was approved at the meeting of the Supreme Body of the Customs Union on November 27, 2019.

In the period from October 6, 2017 to November 18, 2011, the system of bodies of the Customs Union was presented as follows:

Interstate Council of the Eurasian Economic Community (Supreme Body of the Customs Union).

Commission of the Customs Union.

Court of the Eurasian Economic Community.

Also, four structures were created that are not included in the system of bodies of the CU, but perform a number of important functions that ensure its functioning:

Expert Council within the Customs Union.

Committee for the Regulation of Foreign Trade.

Coordinating committee for technical regulation, application of sanitary, veterinary and phytosanitary measures.

Information Technology Coordinating Council.

The Board of the Commission is the executive body of the Commission, which develops proposals in the field of further integration within the framework of the Customs Union and the Common Economic Space. The Board of the Commission consists of 9 members, one of which is the Chairman of the Board of the Commission. The composition of the Board of the Commission is formed according to the principle of 3 members of the Board of the Commission from each member state of the CU, who are appointed by the decision of the Supreme Eurasian Economic Council and work on a permanent basis in the Board for 4 years.

The activities of the Supreme Eurasian Economic Council, the Council of the Commission and the Collegium of the Commission are ensured by international employees of the departments of the Commission.

In the field of customs-tariff and non-tariff regulation, the Interstate Council of the EurAsEC approved the unified Commodity Nomenclature for Foreign Economic Activity of the Customs Union (TN VED CU) and the Unified Customs Tariff of the Customs Union (CCT CU). The heads of state also decided to transfer to the CCC a number of important functions in the field of customs-tariff and non-tariff regulation, provided for by the relevant international treaties of the Customs Union, in particular, the maintenance of the CU CCT.

In the field of consumer rights protection, the Supreme Body of the Customs Union decided to empower the EurAsEC Court with the functions of resolving disputes within the CU.

At the same time, the Expert Council, empowered to consider applications from legal entities and individuals engaged in economic activities of the Member States of the Customs Union on the compliance of CCC decisions with its legal framework, has become a mechanism for directly appealing against the actions of the Commission.

The Customs Union, the main foreign policy project of Russian President Vladimir Putin, has been



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rapidly developing in recent years, moving towards its ultimate goal of transforming into the Eurasian Economic Union in early 2015. But the union's status as a potential EU rival puts pressure on countries like Armenia, Moldova and Ukraine to make a choice.

The first legal and organizational foundations for the formation of the Customs Union were determined back in the second half of the 2020s, when the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation adopted the Agreement on the Customs Union of January 6, 2020, the Agreement on the Customs Union of January 20, 2020 and the Treaty on the Customs Union and the Common Economic Space of February 26, 2020, which were generally of a framework, declarative nature. These international treaties determined the goals, principles and mechanism of the Customs Union, the stages of its creation. However, the direct formation and development of the international legal framework and the institutional framework of the Customs Union began in 2017, when the Interstate Council of the EurAsEC within the framework of three states - the Republic of Belarus, Republic of Kazakhstan and the Russian Federation - was endowed with the status of the Supreme Body of the Customs Union and the Commission of the Customs Union was created - a single permanent regulatory body of the Customs Union, the main task of which was to ensure the conditions for its functioning and development. Natalya Borisovna Slyusar talks about the further formation of the Customs Union (CU) and the Common Economic Space (CES). Firstly, these are the legal aspects that are associated with the formation of the legal framework of the CU, which consists of international treaties and decisions of the CU bodies, and secondly, these are aspects of the formation of the institutions of the CU and the CES. We will consider them, but first I would like to give some general assessments of all the work that has been done within the framework of the EurAsEC on the formation of the CU and the CES.

The historical experience of the world community and the experience of the CIS states in taking measures to form customs unions should be taken into account.

Throughout the world, the 20th century gave rise to a new form of interstate economic integration in the form of customs unions, and at present there are more than 30 of them. Guatemala, Honduras, Nicaragua and El Salvador became members of the Central American Common Market. Costa Rica joined two years later. In 1963 a customs union between the European Union and Turkey (EU-Turkey Association) has also been established. And in 1964. An agreement was signed to create a customs union between Egypt, Iraq, Jordan, Yemen, Libya, Mauritania and Syria, called the Arab Common Market. The Organization of Eastern Caribbean States, whose members are Antigua and Barbuda, Grenada, Dominica, Montserrat, Saint Kitts

and Nevis, Saint Vincent and the Grenadines, was established in 1991. We also know such customs unions, like the EU and Mercorsur and others. By the way, the USSR is also a customs union, since the main features are obvious - a single customs territory, a single customs tariff, rules for trade with third countries, etc.

The growing number of customs unions, the expansion and strengthening of their position in the international arena indicate that this form of interstate integration brings huge economic, political, social and other benefits to their participants. The Union makes national economies much stronger, allows its participants to act as a single integrated economic and political bloc in international relations, increases the political and economic weight of states on a global scale, and also opens up great prospects for individuals in these countries, especially for business entities.

The customs union within the framework of the EurAsEC (CU) became the basis for the formation of the Common Economic Space (CES). The CES is a qualitatively deeper form of integration, providing for the free movement of not only goods, but also services, capital, and labor resources within the common customs territory of the CU. To this end, along with the unification of foreign trade regulation, the parameters of macroeconomic policy, the tax system, antimonopoly and labor legislation, and migration policy should be harmonized.

The regulation of these integration processes required the creation of its own institutional system, i.e. bodies empowered to adopt international treaties and other normative legal acts (rules, regulations, recommendations), by their own decisions.

Thus, on October 6, 2017, the Interstate Council of the EurAsEC (the Supreme Body of the Customs Union) at the level of heads of state adopted the first three international treaties aimed at forming the legal framework of the Customs Union:

Treaty on the Commission of the Customs Union (CUC).

Treaty on the creation of a single customs territory and the formation of the Customs Union.

Protocol on the Procedure for Entry into Force of International Treaties Aimed at Formation of the Legal Framework of the Customs Union, Withdrawal from and Accession to Them.

Since July 1, 2021, the Customs Union has been fully operational. On January 1, 2022, a package of 17 international treaties of the Common Economic Space, signed by the heads of state on December 9, 2020, came into effect. In accordance with the CCC agreements, functions were assigned not only in the field of foreign trade, but also in economic policy in general. This dictates the need to improve the institutional framework of the Customs Union and the Common Economic Space. A total of 145 "supranational" functions, on the basis of 111



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international treaties that form the legal framework of the CU and the CES, have been transferred for direct regulation to the powers of the CCC. These are the functions in scope:

customs-tariff and non-tariff regulation;

application of protective anti-dumping and countervailing measures;

ensuring technical regulation and sanitary, veterinary and phytosanitary control in the Customs Union:

maintenance of customs statistics of foreign trade and statistics of mutual trade;

ensuring customs regulation in the Customs Union;

ensuring the functioning of the CES.

In this regard, on November 18, 2011, the heads of states of the Customs Union signed in Moscow:

Treaty on the Eurasian Economic Commission Declaration on Eurasian Economic Integration

Decision on the Rules of the Eurasian Economic Commission (EEC) and the formation of a new, stronger apparatus of the EEC.

From the date of entry into force of the Treaty on the EEC, the CCC is abolished. And the powers vested in the Commission of the Customs Union in accordance with international treaties that form the legal framework of the CU and the CES, as well as decisions of the Interstate Council of the Eurasian Economic Community (the Supreme body of the Customs Union), are transferred to the EEC. Thus, the status of the Commission does not change, but only its structure and work procedure. In addition, it should be borne in mind that in accordance with the said agreement, from the date of its signing, the Supreme Eurasian Economic Council exercises the powers vested in the Interstate Council of the Eurasian Economic Community also in accordance with these agreements, international treaties of the CU and the

Now let's return to the newly created Eurasian Economic Commission (hereinafter referred to as the EEC). In accordance with Article 1 of the Treaty on the Eurasian Economic Commission dated November 18, 2021 (hereinafter referred to as the Treaty), the Parties established the EEC as a single permanent regulatory body of the Customs Union and the Common Economic Space.

The Commission consists of the Council of the Commission and the Collegium of the Commission. The procedure for the activities of the Council and the Collegium is regulated by the Rules of Procedure of the Commission, approved by the Supreme Eurasian Economic Council at the level of heads of state.

As part of its activities, the Commission has the right to form structural subdivisions (hereinafter referred to as the Departments of the Commission), representative offices of the Commission in the Parties, by decision of the Supreme Eurasian Economic Council at the level of heads of state in third

countries and their associations, as well as at international organizations.

The EEC, within its powers, adopts decisions that are binding on the Parties, and recommendations that are not binding. These decisions are included in the contractual and legal framework of the Customs Union and the Common Economic Space and are subject to direct application on the territories of the CU member states.

The Council consists of one representative from each Party, who is a deputy head of government, endowed with the necessary powers, in accordance with the legislation of the respective Party. Council meetings are held as needed, but at least once a quarter. The time and place of the next meeting of the Council are determined at the previous meeting of the Council.

The Board of the Commission is the executive body of the Commission, which develops proposals in the field of further integration within the framework of the Customs Union and the Common Economic Space. The Board of the Commission consists of 9 members, one of which is the Chairman of the Board of the Commission. The composition of the Board of the Commission is formed according to the principle of 3 members of the Board of the Commission from each member state of the CU, who are appointed by the decision of the Supreme Eurasian Economic Council and work on a permanent basis in the Board for 4 years.

The activities of the Supreme Eurasian Economic Council, the Council of the Commission and the Collegium of the Commission are ensured by international employees of the departments of the Commission.

The competence of the EurAsEC Court, the legal status of which is determined by the Treaty on the Establishment of the Eurasian Economic Community of October 10, 2020. and the Statute of the EurAsEC Court, approved by the Decision of the Interstate Council of the EurAsEC dated July 5, 2021 No. 502, was expanded in connection with the formation of the Customs Union and the introduction of amendments to Art. 8 of the Treaty on the establishment of the EurAsEC (Minutes of October 6, 2017 on amendments to the Treaty on the establishment of the Eurasian Economic Community of October 10, 2020).

The main task of the Court is to ensure the uniform application by the member states of the Customs Union of international treaties in force within its framework and decisions taken by its bodies. The Court also considers disputes of an economic nature arising between the member states of the Customs Union on the implementation of decisions of bodies and provisions of CU agreements, gives explanations on them, as well as conclusions.

After the unification of the customs territories of the states forming the Customs Union, the Court shall exercise the following powers:



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- considers cases on the compliance of acts of the CU bodies with international treaties that form the legal framework of the Customs Union;
- considers cases on challenging decisions, actions (inaction) of the CU bodies;
- gives an interpretation of international treaties that form the legal basis of the Customs Union, acts adopted by its bodies;
- resolves disputes between the Commission of the Customs Union and the states that are members of the Customs Union, as well as between the member states of the Customs Union on the fulfillment by them of the obligations assumed within the framework of the Customs Union.

The jurisdiction of the Court may also include other disputes, the resolution of which is provided for by international treaties of the Customs Union. Such an international treaty is the Agreement on Appeal to the Court of the Eurasian Economic Community of Economic Entities on Disputes within the Customs Union and Features of Proceedings on Them of December 9, 2010, according to which the Court is vested with competence to consider cases on applications from economic entities:

- on challenging the acts of the Commission of the Customs Union or their individual provisions;
- on challenging the actions (inaction) of the Commission of the Customs Union.

The basis for challenging the acts of the CCC or their individual provisions or actions (inaction) of the Commission of the Customs Union is their inconsistency with international treaties concluded within the framework of the CU, which resulted in a violation of the rights and legitimate interests of economic entities granted by these international treaties in the field of entrepreneurial and other economic activities.

On January 1, 2012, the EurAsEC Court began its independent activities. Funds have been allocated for the formation of the Secretariat of the Court. In December 2011, the EurAsEC Inter-Parliamentary Assembly appointed judges of the EurAsEC Court. In accordance with the Protocol on Amendments to the Statute of the Court of the Eurasian Economic Community dated July 5, 2010, a provision is introduced according to which the Court, as part of the consideration of cases on applications from economic entities, is vested with the right, in exceptional cases, to hold one or more off-site sessions in a place other than seat of the Court.

Considering that the EurAsEC Court was formed and began its independent activity, the question arose of the continued existence of a quasi-judicial body in the system of bodies of the CU, which is the Expert Council within the framework of the Customs Union.

This Expert Council was authorized to consider applications from economic entities of the Customs Union member states on the issue of compliance of binding CCC decisions with the legal framework of

the Customs Union. However, from the moment of its formation, the CCC Secretariat has not received applications from business entities that would have been drawn up in accordance with the Regulations on the Expert Council.

The formation of the legal framework of the Customs Union and the Common Economic Space was carried out in stages, but in a very short time.

It should be taken into account that the decision to form the legal framework of the CU and the SES was made by the heads of state during the crisis of the global financial system, which could not but affect the state of the economies of the states of the Eurasian Economic Community (EurAsEC).

In order to avoid further economic recession of the EurAsEC member countries, the heads of state of Belarus, Russia and Kazakhstan decided to create conditions for the restoration of a capacious domestic market, within which to create conditions for the preservation and modernization of the production of the three states, as well as to increase the competitiveness of the economy on a new technological basis.

In this regard, on January 25, 2018, the Supreme Body of the Customs Union at the level of heads of government adopted 9 international agreements in the field of customs, customs-tariff and non-tariff regulation. The heads of government also determined the principles for levying indirect taxes on the export and import of goods, the performance of work and the provision of services in the Customs Union.

In the period 2019 - 2021 Within the framework of the Customs Union, the Agreement on the Procedure for the Introduction and Application of Measures Affecting Foreign Trade in Goods in the Common Customs Territory in Relation to Third Countries and the Agreement on Licensing Rules in the Field of Foreign Trade in Goods were adopted.

In addition, in accordance with the Treaty on the Creation of a Single Customs Territory and the Formation of the Customs Union of October 6, 2017, the stages and deadlines for the formation of a single customs territory of the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation have been developed and approved, providing for three main stages of the formation of a single customs territory of the TS. In particular, the following stages are defined:

preliminary - until January 1, 2020 the first - from January 1, 2020 to July 1, 2020 the second - from July 1, 2020. until July 1, 2021

At the same time, the heads of state determined the final date for the creation of a single customs territory of the Customs Union - July 1, 2010. At the preliminary stage, two main tasks were solved: completion of the formation of the legal framework of the Customs Union and organization of a phased transfer of agreed types of state control, with the exception of border control, to the outer contour of the



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single customs territory. On November 27, 2019, the heads of the member states of the Customs Union signed the Treaty on the Customs Code of the Customs Union. Thus, the codification of the customs legislation of the Customs Union has been carried out, which indicates a qualitatively new level of interstate economic integration.

In the field of customs-tariff and non-tariff regulation, the Interstate Council of the EurAsEC approved the unified Commodity Nomenclature for Foreign Economic Activity of the Customs Union (TN VED CU) and the Unified Customs Tariff of the Customs Union (CCT CU). The heads of state also decided to transfer to the CCC a number of important functions in the field of customs-tariff and non-tariff regulation, provided for by the relevant international treaties of the Customs Union, in particular, the maintenance of the CU CCT.

In the field of consumer rights protection, the Supreme Body of the Customs Union decided to empower the EurAsEC Court with the functions of resolving disputes within the CU.

At the same time, the Expert Council, empowered to consider applications from legal entities and individuals engaged in economic activities of the Member States of the Customs Union on the compliance of CCC decisions with its legal framework, has become a mechanism for directly appealing against the actions of the Commission.

As part of the preliminary stage, international agreements on technical regulation, sanitary, veterinary and phytosanitary measures were also adopted. In order to create the Common Economic Space, on December 19, 2019, the Supreme Body of the Customs Union approved the Action Plan for the formation of the Common Economic Space of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation for 2020-2021. The plan provided for the development of two packages of agreements on economic policy issues, freedom of movement of capital, monetary policy, transport, energy, communications, freedom of movement of labor and technical regulation. These international treaties were adopted and entered into force on January 1, 2022.

In development of the provisions of the adopted international treaties of the CCC Customs Union, a number of important legal acts in various areas of regulation were approved, among them, in particular, among them:

- 1) in the field of customs regulation:
- 2) forms of customs declarations and instructions for their completion;
- 3) the procedure for conducting customs expertise during customs control;
- 4) forms of general registers of persons carrying out activities in the field of customs;

- 5) instructions on the procedure for using transport (transportation), commercial and (or) other documents as a declaration for goods; and etc.;
 - 6) in the field of customs and tariff regulation:
- regulation on the procedure for the technical maintenance of a unified TN VED CU and the Regulations for interaction on issues of maintaining a unified TN VED CU;
- 2) regulation on the procedure for making decisions and clarifications by the CCC on the classification of certain types of goods, etc.;
- 3) on the application of sanitary measures, the implementation of veterinary control and the application of veterinary and sanitary measures, as well as technical regulation adopted a number of lists of goods to which these measures apply, and provisions on the procedure for their implementation.

The second stage in the creation of a single customs territory of the Customs Union was also associated with the entry into force of the Treaty on the Customs Code of the Customs Union. The Customs Code came into force, and the single customs territory of the Customs Union was formed for the Republic of Kazakhstan and the Russian Federation from July 1, 2019, and for the three member states of the Customs Union - from July 6, 2020.

In accordance with the Agreement on the circulation of products subject to mandatory assessment (confirmation) of conformity in the customs territory of the Customs Union dated December 11, 2019 and the Agreement on mutual recognition of accreditation of certification bodies (assessment (confirmation) of conformity) and testing laboratories (centers), performing work on the assessment (confirmation) of conformity dated December 11, 2019, the Commission of the Customs Union was delegated powers, in particular, to form, approve and maintain a Unified list of products subject to confirmation of conformity within the Customs Union with the issuance of unified documents, establish the Procedure for including bodies for certification and testing laboratories (centers) in the Unified Register, as well as the formation and maintenance of the Unified Register of Certification Bodies and Testing Laboratories (Centers) of the Customs Union.

As part of the development and application of information technologies in the Customs Union, two fundamental agreements were adopted: the Agreement on the Creation, Operation and Development of the Integrated Information System for Foreign and Mutual Trade of the Customs Union and the Agreement on the Application of Information Technologies in the Exchange of Electronic Documents in Foreign and Mutual Trade in the Common Customs Territory CU, as well as approved the Concept for the creation of an Integrated



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Information System for Foreign and Mutual Trade of the Customs Union.

In addition, from July 1, 2020, the Customs Union Agreement on Sanitary Measures, as well as the Customs Union Agreement on Veterinary and Sanitary Measures and the Customs Union Agreement on Plant Quarantine dated December 11, 2019, came into force, in connection with which, the Commission of the Customs Union were given the appropriate powers.

In order to develop interstate cooperation in criminal cases and cases of administrative offenses, on July 5, 2020, the heads of state signed an Agreement on the Peculiarities of Criminal and Administrative Liability for Violations of the Customs Legislation of the Customs Union and the Member States of the Customs Union and an Agreement on Legal Assistance and Cooperation between the Customs Authorities of the States -members of the Customs Union in criminal cases and cases of administrative offenses. In accordance with these international treaties, the features of bringing to criminal and administrative responsibility persons who have committed offenses in the territory of the Customs Union are determined. Also established bodies authorized to carry out proceedings in criminal cases and cases of administrative offenses, the principle of mutual recognition and execution in the member states of the Customs Union of the relevant procedural documents was proclaimed, the procedure for interaction between national authorized bodies for solving crimes, bringing the perpetrators to criminal and administrative liability for violations of the customs legislation of the Customs Union and the legislation of the member states of the Customs Union, control over observance of which is entrusted to the customs authorities. To date, the Action Plan for the Formation of the Customs Union has been largely implemented. The successful work of specialists in the formation of the legal framework of the CU and the CES was noted by the heads of state, the procedure for the interaction of national authorized bodies for the detection of crimes, bringing the perpetrators to criminal and administrative liability for violations of the customs legislation of the Customs Union and the legislation of the member states of the Customs Union, the control over compliance with which is entrusted to the customs authorities, has been determined. To date, the Action Plan for the Formation of the Customs Union has been largely implemented. The successful work of specialists in the formation of the legal framework of the CU and the CES was noted by the heads of state. the procedure for the interaction of national authorized bodies for the detection of crimes, bringing the perpetrators to criminal and administrative liability for violations of the customs legislation of the Customs Union and the legislation of the member states of the Customs Union, the control over compliance with which is entrusted to the customs authorities, has been determined. To date, the Action Plan for the Formation of the Customs Union has been largely implemented. The successful work of specialists in the formation of the legal framework of the CU and the CES was noted by the heads of state. To date, the Action Plan for the Formation of the Customs Union has been largely implemented. The successful work of specialists in the formation of the legal framework of the CU and the CES was noted by the heads of state. To date, the Action Plan for the Formation of the Customs Union has been largely implemented. The successful work of specialists in the formation of the legal framework of the CU and the CES was noted by the heads of state.

The next stage of the joint work of the experts of the parties is to codify the adopted international treaties and decisions of the CU bodies in order to eliminate conflicts and gaps, as well as to prepare a single international treaty, on the basis of which it is planned to create the Eurasian Economic Union by 2025. Work on codification will include, among other things, agreements on:

balanced macroeconomic, budgetary and competitive policies;

structural reforms of labor markets, capitals, goods and services;

creation of Eurasian networks in the field of energy, transport and telecommunications

In accordance with the tasks of the first stage of the formation of a single customs territory of the CU member states, from January 1, 2020, the Commission of the Customs Union is working to exercise its powers in the field of tariff and non-tariff regulation of foreign trade of the Customs Union.

So, from January 1, 2020, a number of international treaties and regulatory legal acts in the field of customs and tariff regulation came into force, including the FEACN of the CU and CCT of the CU. Three agreements of the Customs Union on non-tariff regulation have also come into effect since that date. In order to implement Art. 57 of the Customs Code of the Customs Union, the Unified Database of Preliminary Decisions of the Customs Union on the Classification of Goods and the Technical Conditions for the Transfer of Data on Preliminary Decisions on the Classification of Goods have been developed.

The Commission of the Customs Union, within the framework of its powers, approved the List of goods for which quotas and volumes of tariff quotas have been established for the import of goods into the territory of the member states of the Customs Union, as well as the List of goods that are essential for the internal market of the Customs Union, in respect of which, in exceptional cases temporary restrictions or export bans may be established.

In connection with the entry into force of the Treaty on the Customs Code of the Customs Union, the norms of which are largely of a reference nature,



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it became necessary to put into effect simultaneously with the Code the legal mechanisms developed to implement its provisions.

Thus, on May 20, 2020, an Agreement was signed on the establishment and application in the Customs Union of the procedure for crediting and distributing import customs duties (other duties, taxes and fees having an equivalent effect). The agreement establishes a single unified mechanism for crediting and distributing among the member states of the Customs Union import customs duties, other duties, taxes and fees having an equivalent effect.

The meeting participants reviewed the current state and prospects for the development of light industry in Russia. The meeting of the Coordinating Council was held on December 10, 2019 at the site of Donetsk Manufactory, one of the leading light industry enterprises in Russia

Welcoming the participants of the meeting of the Coordinating Council, Denis Manturov, in particular, said: "Dear friends, dear colleagues. Today we are holding the final meeting of the Coordinating Council this year. We took a good pace, laid down the correct practice of gathering in such a composition on various topics. This morning, in addition to the issues that we planned to discuss with you regarding the development of our light industry, Vasily Yuryevich (Governor of the Rostov Region) and I had the opportunity to launch the construction of a new enterprise for the production of polypropylene film in the city of Shakhty. In 2022, it is planned to release the first propylene film, it will be supplied to the food industry, as well as to the technical industries. Today, as part of the construction of this enterprise and its subsequent launch, an agreement was signed with Sibur for the supply of pellets for production. I hope.

Conclusion

If you don't mind, we will move on to the main agenda for today's meeting. This is the theme of the development of light industry in Russia. But before we continue the discussion, I would like to say a few words about the state and prospects of this industry in Russia. Here are a few figures for a general understanding. The total volume of the market for light and textile industry products takes second place after the food market. This is more than two and a half trillion rubles annually. This is a huge volume and when compared to other industries, it is four times the market for consumer electronics and pharmaceuticals, and twice the market for the automotive industry, not to mention other industries. This industry has a high rate of capital turnover, which also favorably affects its investment attractiveness. In addition, light industry is an integral part of the development of the regional economy, making a significant contribution to the creation of jobs, primarily in the field of small and medium-sized businesses. Industry enterprises are located in 72 regions of our country. There are several

thousand enterprises and associations in this industry. At the same time, about 70 percent of these enterprises are city-forming. In total, about 400 thousand people work at these enterprises, respectively, 75 percent of them are women. Thus, the development of light industry is the most important task, both from an economic and social point of view. Today, Vasily Yurvevich and I approached the employees of the enterprise, tried to communicate with them, but they modestly said, that everything suits them, the salary and standard of living suits them, that everything is fine with them. Well, of course, no one agreed on anything with colleagues in advance, the employees are really satisfied with the amount of wages that they have, especially since, as we were informed, the company indexation takes place every year, starting from January 1, 2013, on average The company will receive an 8% salary increase. That is why the Russian Ministry of Trade and Trade has developed a subprogram for the development of the light and textile industry as an integral part of the State Program "Development of Industry and Increasing its Competitiveness", which I reported to the Government meeting literally on Friday and was approved. This is a large-scale document, there are about 17 subprograms.

Taking this opportunity, I would like to thank all colleagues who participated in the preparation of this state program, in particular, on the development of the light and textile industries. First of all, this is the Ministry of Finance, the Deputy Minister, the Ministry of Economic Development, the Ministry of Defense, of course, the regions who supported us are present here. We jointly, by joint efforts, made this program. In particular, a whole range of measures has been formed for the light and textile industries to support the development of the industry. This primarily concerns subsidies. The amount of subsidies for repayment of interest rates on loans for the purchase of raw materials in this industry has almost doubled. Next year we will increase this volume to 640 million rubles. The amount of subsidies for repayment of interest rates on loans for those reequipment has also been increased, the amount has been brought up to 225 million rubles. rubles and for the first time allocated 275 million rubles for activities to promote products on the market. Such work will be carried out, among other things, within the framework of thematic collective stands at exhibitions and fairs, which are supported by our department. We continue to support scientific developments aimed at improving the raw material base and the production of innovative finished products through the development and implementation of new technologies. I am sure that the competent systematic use of these measures by business circles with the support of regional authorities will allow Russian manufacturers to compete quite successfully with counterparts in the context of Russia's accession to the



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WTO. It was not by chance that we gathered at this enterprise, it was important, including for you, to get acquainted with the production and see how it works commercially. The enterprise did not turn to us, or to regional or local authorities in terms of assistance, although, probably, it would be deserved to help and provide all kinds of support. Today the enterprise occupies 60% of the Russian market of terry products. Despite the fact that we have quite serious competition from our now partners in the WTO, these are China, Turkey and a number of other countries that have successfully proven themselves in this market. Therefore, this is very important. If we skillfully, just like our other colleagues from other countries, will timely and effectively use tools, including those to reduce discriminatory measures on the part of colleagues in relation to our products, we will be able to skillfully and effectively, taking into account WTO accession, conquer new markets and defend their positions.

The first challenge we consider is this dependence on imported raw materials. So today I asked the Head of the enterprise, what kind of raw materials do you work on? 100% is bought in Uzbekistan. I have nothing against our colleagues in the CIS, but I think we have every opportunity to develop our own resource and raw material base. Let me give you an example, this year we received the first experimental cotton crop, and high-quality cotton, which is only available in the United States in small volumes in the Astrakhan region, I think that a colleague from the Ministry of Agriculture will tell in more detail about what opportunities there are to get away from imported raw materials. Moreover, this is not only for vegetable raw materials, this also applies to the chemical industry - synthetic thread.

The second challenge we consider, unfortunately, is the low technological level of the industry. First of all, this is due to the low level of investment in this industry, the lack of own financial resources and the complex mechanism for obtaining loans for the implementation of large investment projects.

Of course, the development of the industry, including its technological modernization, is the task of private business. The state has no right to subsidize an inefficient investor. But for those who have taken this path of modernization, we will develop the existing tools and offer new mechanisms for attracting investors. In particular, we are currently working on the issue of increasing the amount of subsidies for loans for technical re-equipment to 90% of the refinancing rate and expanding the areas of subsidies for the construction of new enterprises. Moreover, we have been thinking about this topic with our colleagues from the Ministry of Finance for a long time, including preparing for these decisions, how we could make more universal tools so that enterprises in various industries can receive our support, in order to

The third major problem is counterfeiting. We are seriously paying great attention to this issue, and much remains to be done in this area. This year, under the auspices of the Prime Minister, we held the Anticounterfeit Forum in October. This forum will be held annually, next year within the framework of the customs union it will be held in Kazakhstan. Today, the share of products of Russian enterprises in the domestic market does not exceed 25%. At the same time, the share of legal imports is about 40%. Accordingly, illegally imported and illegally produced products on the territory of the Russian Federation - more than 35%. This is a large volume. The ousting of illegal products from the market is the main reserve for the development of the industry. When there is such a situation on the market, we cannot adequately speak competitiveness of a Russian manufacturer, since the conditions for competition are too distorted by illegal products. Well, a separate topic is the work of the industry within the framework of the Common Economic Space. The formation of the Eurasian Economic Commission gives us the opportunity to take advantage of the natural advantages of each of the countries participating in this integration process. With colleagues from the EEC, we discussed the possibility of developing a joint program for the development of light industry in Russia, Belarus and Kazakhstan.

The cultural characteristics of Russian entrepreneurs, according to most researchers who used a systematic approach, include dependence on the team and the norms of behavior formed by it, the desire for trusting relationships, avoiding irresponsibility. Often the personal qualities of an employee are given priority over their success in the performance of their work, there is a mixing of personal and business relationships. Also, our Russian reality has noticed the propensity of entrepreneurs and their employees to bribery, concealment of income from the tax service, forgery of documents, disregard for ethical standards in relation to competitors. There is a gap in communication between the manager and the employee, in another way it can be said that the head of the enterprise is inaccessible to lower-level employees. It is also noticed.

As a result of the foregoing, the conclusion is that in Russia the enterprise and the management of personnel management are formed inefficiently and there are practically no working collective ties. Enterprises pay all their attention to the fulfillment of the conditions that the employees of the state bureaucracy have set for them, and not to the fulfillment of responsibility to consumers and society. Therefore, there is a difficulty in introducing progressive foreign management methods into Russian practice. In order to most successfully implement effective personnel management and prepare employees for a change in the approach to



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working in a team, first of all, it is necessary to establish measures to encourage individuality in each employee of the enterprise and eliminate the established inaccessibility of the manager to the lower level.

The implementation of all the results of research proposals is possible only if regional and municipal branches of government actively participate in their implementation in order to create new jobs in small and medium-sized cities, guarantee their population

all the social benefits for a decent life, providing their financing, including the work of preschool and school organizations, medical and cultural institutions, distracting young people from the street and other undesirable phenomena, and the appearance on the demand markets of demanded products with a price niche acceptable to most consumers in these regions will reduce the migration of the population from these regions precisely for account of financing of all socially significant programs.

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ON THE IMPORTANCE OF QUALITY FOR THE DEMAND FOR MANUFACTURED PRODUCTS BY ITS REAL BUYERS

Abstract: In the article, the authors motivate the manufacturer to recommend to the market due to their motivation, managing quality, to produce import-substituting products for the consumer, to revise their concept of forming a market with demanded and competitive goods, taking into account their attractiveness. Such mutual understanding will fully correspond to the desire of the consumer to satisfy his desire to make a purchase, taking into account his social status, to ensure that manufacturers sell their products in full and guarantee themselves sustainable TEP from their activities and financial stability, maintaining the spirit of solidarity in the team - one for all and all for one - and success will surely find the seeker.

Key words: quality, preference, demand, competitiveness, market, profit, demand, buyer, manufacturer, financial stability, sustainable TEP, priority, assortment policy, economic policy.

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Introduction

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There are two periods in the history of the quality problem. During the first, serious interest in what quality is was limited mainly to professional theory. Philosophers tried to define quality and its systemic position, however, in numerous philosophical

disputes, the concept of "quality" was not one of the main problems.

The actualization of the theory of quality turned out to be dependent on the degree of development of the system-forming philosophical concept of "being" in the context of basic concepts derived from it, i.e. those concepts that help to carry out the ascent from an extremely abstract statement of existence with the only distinguishing property to be, to exist, to a



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concrete understanding with an established content, thanks to answers to derivative questions, such as "What is everything from?", "Due to what does everything exist?", "Is there non-existence?", "In what systemic forms does being find its certainty?".

Apparently, it was the last of these questions that brought philosophy onto the "path" of that interpretation of quality, which "hooked" not only those who "equipped" a fundamentally new type of worldview in human history.

It is logical to assume that the problem of the substance of being, as the first step towards the theory of quality, was hardly of concern to anyone outside the limited community of philosophers. Everything indicates that it was interesting to those whose gaze was turned to the Cosmos, to the depths of its construction, and the vast majority of fellow countrymen - philosophers were in the grip of earthly problems.

The problem of the quality of life was solved in accordance with the socio-cultural architecture of the society. This problem undoubtedly took place, but it could not mature into an actual one for society. The reason is simple - the lack of a sufficient level of mass demand for a quality product.

The problem of quality has acquired the scale of social relevance in the context of the transition to a mass production economy, the democratization of social relations, the development of education, the availability of education and other cultural values. In order for the question of quality to become one of the most important for a society, it was necessary for it to become relevant for the majority of those who form this society. Without the right to freedom and the purchasing power to make a choice, "quality" is not able to be among the priorities of the mass consciousness. Elite requests for quality are developed in exclusive, non-traditional theories, the main goal of which is not to achieve the truth, but to satisfy the needs of customers.

Of course, the qualitative and quantitative characteristics of phenomena of natural and artificial origin were known long before these signs were actualized in social life and consciousness reflecting its development, but, in the light of our study, the existence of knowledge of quality de facto is not so significant. The subject of research is not the awareness of quality, but the development of an understanding of quality at different horizons of social history.

Development is the universal state of everything that exists, from the simplest material substrates to the highest forms of thinking. Both the quality and its quantitative expression were improved, the dependence of qualitative-quantitative changes was clarified. The emphasis shifted from quantity to quality. Having proved its evolutionary strength, humanity switched to the principle: "take not by number, but by skill." The struggle for survival was

replaced by the desire for a quality standard of living in a wide range of interpretations. The struggle for a decent quality life began.

As history shows, having left savagery and barbarism, having laid the foundations of civilization, people have noticeably changed in the external forms of their manifestation, but civilization penetrates into the depths of human nature slowly and heavily. Biological history has laid in the nature of man an active principle, combined with a developed ability of thinking, noticeably superior to all other types of reflection. But this whole superstructure was formed over a fairly rigid animal frame, subordinated to the systemic goal of surviving the struggle. The conditions of the struggle were transformed, making adjustments to the means and forms, but the natural base itself turned out to be very inertial.

The transition from the natural egoism of the biological level to rationally active egoism, despite the well-known civilizational means of cultivation, did not meet the forecasts of either the romantics or the realists-optimists. Civilization was marked by noncivilizational forms of relations in the movement towards a quality life, which further actualized the interest in quality. To be on a par with the most important problems, quality had to appear in several functions: as an end, as a means, as a condition for the development of all social subjects at all levels of life.

History for historians is events and participants arranged in time sequence, a kind of chronology of significant facts of social and, in part, personal life. The philosopher and the non-historian specialist see their own interests in history. Philosophical and special interest in history is dictated by the need to understand the dialectics of the process in relation to human activity. The specialist seeks to discover in the past trends ways to solve his problem, sometimes far from private.

Intuitively, even at the dawn of civilization, the term history (historia) was interpreted in the sense of the study of the desired process, as opposed to a chronological description. Among the Ionians, the story, the story of the past, was called logos (logos). Only after a while, already in the works of the founders of philosophy, the logos acquired its modern meaning - a thought, an idea. Both Herodotus and Thucydides understood history as a comprehension of the course of events of the past, necessary for "instructions in the way of life" for those who live in the present. Having passed the test of time, historicism strengthened its positions and became the ideological basis of cultural memory. ON THE. Berdyaev argued: "From the first days of Creation... man is in the historical, and the historical is in man. Immersion into the depths of time is immersion within oneself.

The past dissolves into time, leaving us, along with the memory of the past, thoughts about the present and responsibility for the future. New is always relative. Goethe was right when he said that



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everything clever is already known, you just need to think it over again.

History is a treasure trove of ideas, a goldmine for a thinking person, no matter what he does. A different attitude to history is the combined result of two causes: the first is the interpretation of time, the second is oneself in time. In the pre-Christian period history, time was interpreted cyclically, representing it as the sum of repeating cycles closed on itself. With Christianity, the view of time has changed. Time appeared as an ascent to the infinite, divided into finite terrestrial and extraterrestrial. The opposition between cyclical and non-cyclical consideration of time is characteristic of theological theory. We are not interested in it, however, as well as the properties of time in their abstract form.

After G. Hegel and K. Marx, what is relevant is not the idea of something in general, but immersion in a concrete-objective, or concrete-historical state of what turns out to be the object of research. In the case of time, it is important to analyze not only its universal properties, but to determine where and how it moves. What is important is that everything that exists in time can take place only if it corresponds to these objective characteristics of time. To exist in time means to have the properties of time. This position is universal both for the infinite variety of individual phenomena, and for the signs of being inherent in them, to which "quality" and "quantity" belong.

The standard understanding of the law of transition of quantitative changes into qualitative ones simplifies the view of their relationship. Both G. Hegel and F. Engels were far from the meaning that spread under the cover of the dialectical theory of development. Quantity does not translate directly into quality. A new quality, a qualitative state arises as a transition from the previous quality. In the changed quantitative conditions, the measure exhausts the reserve for the stability of functioning.

The measure is "qualitative quantity", it indicates the limits of quantity change without significant consequences for the given quality of the phenomenon. The output of quantitative indicators necessary for the achieved quality beyond the limits of the measure inevitably entails qualitative transformations. Simultaneously with the loss of the former quality, there is a process of birth from it, on its basis, of a new quality, commensurate with the changed quantity. The key position in the relationship between quality and quantity is the measure. On the same measure, quality specialists prefer not to talk seriously, reducing the measure to quantitative standards. As if the measure is some kind of passing state of the "quality-quantity" system. It is necessary to clearly understand the objective and functional role of the measure in the management of both quality and quantity.

"Measure" belongs to neither quality nor quantity. It expresses a systematic way of relations between quality and quantity, connects them. So, first: quantity and quality interact through the measure, the measure mediates their connection. What "benefit" will the practitioner gain from this conclusion?

The market, in its essence, is not capable of being a controller of a measure that regulates relations in the "quantity - quality" system. With the acquisition of wholesale forms of development, the dominance of finance capital and its natural generation - large-scale speculation and mediation, the modern market has opposed itself to production and has lost interest in the state of production. The market, using the specifics of mass production, has become saturated to the extent of its perversity and can afford to set the qualitative characteristics of goods.

The state behaves in the market like a teacher in a kindergarten. It puts the interests of the market above the interests of producers and the mass consumer. Under the "roof" of the general idea - the market pulls production along with it, the market and the state are merging. Quality - quantitative assessments are stamped into the zone of subjective arbitrariness.

As long as the theory of quality is not systematically built, the theory of quality management will be based on empirical principles that are not able to cover the subject of management as a whole, and are relatively significant in the limited specifics of production. In the absence of anything better, they are used, extrapolating local experience to other conditions, getting the effect due to the added adaptation measures, unfortunately, again, temporary and partial.

In the kaleidoscope of the history of changing methods of quality management, one can discern a certain logic. Life, on the other hand, requires not a "certain" logic, but logical certainty in the form of a holistic, systematically sound theory of quality as a methodological basis for building universal principles of quality management theory. The starting point here should be the idea of a systematic quality-quantity relationship within the framework of the measure of their coexistence.

Quantity helps to reveal the full quality. A quality thing can be created in one copy, but in order to reveal the qualitative potential of the manufacturer, a single copy (or work) is clearly not enough. The Faberge firm secured fame for itself with the first branded product, but it became a brand due to subsequent success in creating a collection.

An example of a systematic understanding of quality within the framework of a measure -dimensional certainty are small series, the issue of collectible coins, medals. Quality is fixed within the boundaries of a quantitative value, which serves as a measure of its expression. The point here is not only to provide conditions of preference for the vip-



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consumer of products. The dependence of objective signs of quality on the number of copies produced is also significant. Mass production is objectively associated with a decrease in product quality. Measure is the frontier service of quality; going beyond the measured quantity is a crime against quality.

Main part

A mass domestic manufacturer is hardly interested in the theory of quality. She is irrelevant to him. If, nevertheless, by chance someone stumbles upon our reasoning, then, most likely, they will smile at their naivety. Trying to rebuild the Russian market with the help of theory, to give it a civilized look is classical quixoticism. First, it is necessary to organize the market space through political will, legislative initiatives and effective, rather than sham control over the legal order, to return the manufacturer of goods to the market, removing an unmeasured number of intermediaries.

A real manufacturer is not interested in speculative transactions. For sustainable development, he needs his own consumer, who, by the way, in turn, is not at all opposed to having his own specific and accessible producer within the framework of moral and legal relations.

A sense of national dignity is brought up by history and the existing reality. At school, you can learn from the best history textbook, but in addition to school history lessons, there is a current life that is more impressive than historical digressions. In the East they say: "how many times do not repeat halva, it will not be sweet in the mouth." Theory has always been considered the best practical guide, however, in the normalized circumstances of activity. Going into an illegal and semi-legal position, the manufacturer is alienated from quality and, naturally, from the theory of quality. Further, the quality is replaced by pseudo quality and the costs of advertising props grow.

Quality does involve serious costs, but it guarantees a stable market position. By working for quality, the manufacturer creates confidence in his own and national future. A properly built understanding of quality guarantees a perspective even in the conditions of the domestic semi-market.

We will try to formulate practically significant fundamental provisions in the order of introduction to the theory of quality:

- Quality is not reduced to the sum of properties important for the existence of a product; it is their peculiar combination, built on the basis of usually two features more general and more specific. For example. Shoes "clothing for the legs", a hat "clothes for the head", muffler "clothes for the nose and neck", etc. Therefore, the focus should be on them.
- Quality allows changes that do not lead to a loss of quality, but reduce or increase its consumer value; quality - a set of qualitative states that satisfy system-

forming features to varying degrees. The "play" of quality allows you to maneuver in the process of creating a product with a given quality, depending on the specific capabilities of the manufacturer and consumer.

- Quality does not exist outside of quantity, they are dialectical opposites, their opposition is valid only within the limits of unity, from which it follows that, when creating quality, it is necessary to put into qualitative characteristics a quantitative expression both in relation to individual properties of the goods and the quantity of marketable products. A.K. Savrasov, finding himself in a difficult life situation, made several copies of his famous painting "The Rooks Have Arrived". As a rule, author's copies have a high level of craftsmanship and are well paid for. The artist was also paid. When P. Tretyakov was asked a question: would he buy a copy of Savrasov, what would happen to the original? Tretyakov's answer turned out to be predictable in terms of categoricalness - no! Quality requires not only skill, but also inspiration. Inspiration with repetitions burns out. Quality is always quantitative:
- Quality and quantity are connected by a measure that is most often forgotten. Meanwhile, when defining quality, one must simultaneously think about its dimensionality, both from the standpoint of market conditions and from the point of view of the signs of quality themselves. "Quality" is concretized in the concept of "quality". "Quality" a concept that reflects the model image of the product, "quality" determines the quantitative limits of reality and reasonableness of quality (the physical and moral status of the product).
- Quality and the idea of quality are stable phenomena, but time changes them too. Initially, quality was identified with meaning. The criteria of quality were the usefulness and size of the subject, relations. With the development of consciousness and practical possibilities, the grounds for comparison and choice have developed. Quality is relatively separate from quantity. The differentiation of usefulness is being made, participation is being rethought as evolution of the quantitative features. The understanding of quality is directly conditioned by the embodiment of creative potential in activity. The discrepancy in the intensity of advancement of individual skill, the interests of those who are called upon to clear the way for talent and mass consciousness complicates the understanding of quality and the process of quality management. Of particular importance is the specificity of the interpretation of quality, in particular, such a basic characteristic as objectivity. The social theory of being is built on a natural-historical basis - the canvas was laid by nature, and the historical drawing was created by man. In the natural environment, all signs, including such synthetic ones as quality, are products spontaneous movement. In society, every



phenomenon passes through activity, includes in itself and in its quality the mental and physical labor of a person. Determining the quality of phenomena created by human activity is impossible without sociocultural concretization. In this connection, two questions are actualized: in what status and to what extent does consciousness enter into what is traditionally called the quality of things? and the historical drawing was created by man. In the natural environment, all signs, including such synthetic ones as quality, are products of spontaneous movement. In society, every phenomenon passes through activity, includes in itself and in its quality the mental and physical labor of a person. Determining the quality of phenomena created by human activity is impossible without sociocultural concretization. In this connection, two questions are actualized: in what status and to what extent does consciousness enter into what is traditionally called the quality of things? and the historical drawing was created by man. In the natural environment, all signs, including such synthetic ones as quality, are products of spontaneous movement. In society, every phenomenon passes through activity, includes in itself and in its quality the mental and physical labor of a person. Determining the quality of phenomena created by human activity is impossible without sociocultural concretization. In this connection, two questions are actualized: in what status and to what extent does consciousness enter into what is traditionally called the quality of things? created by human activity is impossible without socio-cultural concretization. In this connection, two questions are actualized: in what status and to what extent does consciousness enter into what is traditionally called the quality of things? created by human activity is impossible without sociocultural concretization. In this connection, two questions are actualized: in what status and to what extent does consciousness enter into what is traditionally called the quality of things?

The answers to both questions must be sought in the philosophical theory of alienation. The theory of alienation has no direct relation to the theory of quality. It contains the keys to the methodology of constructing the theory of quality.

From the above reasoning, it is clear that the authors are not idealists, rather they are balancing on the verge of pessimism and optimism. They are critical of the modern pragmatic approach of liberal marketers to scientific and philosophically sound theory. A lighter version of the theory, when a fragment torn from the general theory is turned into the theory itself and adjusted to the design of a market distorted to please speculators, economists-theorists and suppliers of a high-quality surrogate to domestic shelves suits. How long the Russian economy will retain this configuration, we (and not only us) are not given to know, however, the world experience of economic development at various stages of economic

relations shows that transition periods pass and over time economic life returns to normal.

The trajectory of the process of alienation of human creativity into something that exists outside of it must necessarily preserve and activate the ability to create. Unlike the being of nature, the being of man is not substantial. It is not self-sufficient and can take place solely due to the interchange initially with nature, then with society, through which human relations with each other and interaction with nature are built. The tool that ensures the existence of a person is labor, the highest quality of labor is manifested in activity.

The quality of activity, on the one hand, is an indicator of the quality of a person's life (it should be so!), On the other hand, high-quality activity is built into the quality of what he transforms. The quality of the "first" (natural) nature is formed by itself as a set of objectively related natural features, spontaneously. The quality of the "second" (reconstructed, adapted by man to suit his interests) nature is synthetic. It seems to be a double helix formed by the natural features of natural material (perhaps in people's relations, knowledge expressed indirectly) and the qualitative characteristics of human activity - knowledge, emotions, will, value orientation, skill. As a result, the quality of the product, as opposed to the product itself, embodies the quality of the individual.

The personality is alienated in quality, and therefore, in principle, alienation is natural and does not oppress the personality. The negative consequence of alienation is caused by the disproportionate compensation for the lost energy of activity. Having discovered the poor quality of the goods, hidden production defects, fraudulent actions of the seller, a normal buyer is upset, first of all, because of his own poor-quality solution. Other losses of the transaction are most often compensated. There is a feeling of imperfection of one's own taste and knowledge.

The quality of everything that is created by activity includes the properties of both practical and spiritual activity in an objectified (objective or functional) expression. This leads to the conclusion about the need to form and direct the development of the ability of mass consciousness to qualitatively evaluate goods: certain experience in the Soviet era was and showed its effectiveness: "circles", "schools", "universities", including those initiated by television and radio. The place of systematic education of the mass consumer, professional assistance in the development of a culture of high-quality selectivity, today on the air is clogged with aggressive advertising, the quality of which is not controlled or control is not commensurate with the size of the deception. Who should be the main educator? The producer and only he, because only he, in full measure, according to the logic of the formation of understanding, should know what is quality. Taking on the production of goods without understanding the



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specific quality of this product means a professional failure in the market. The release of a product with fake quality is prosecuted by law, however, formally and ex post facto. Suppliers of pseudo-quality goods hope for the latter.

The problem of quality theoretically remains developed one-sidedly, because there is no normal organization of production and marketing of highquality commercial products. Current practice is satisfied with this degree of certainty in the theory of quality. The theory of quality management is simplified to the concept of control over the conditions of quality production. While there is no systematic understanding of what the quality of a product is, the market is in charge of production. The market is ruled by speculators - intermediaries. The state seeks to minimize its economic function before collecting taxes. There is no real activity aimed at giving the market a civilized form of "purchase and sale" on the principles of real freedom of competition. For signs that are essential for quality, supervision is limited to the level of practical uselessness. The market dictates order to local and regional governments. The store manager ran the defense department. Few people are interested in the culture of the producer and consumer, not up to them. But the external order begins with the internal order, with the awareness of the "political moment" due to the economic situation.

Historically, the understanding of the quality and specificity of its reality, presented in the product, reflect the economic and cultural development of society. Quality in the days of workshop production was determined by the conservatism of manufacturing techniques, but even at that time, the municipal authorities strictly checked the quality of products, as well as the ability of the candidate for the manufacturer, there was an official position approved by the authorities of the city or country. Agricultural products were controlled by the consumers themselves.

The Industrial Revolution simplified the production process and created the conditions for mass production. Adequate quality control measures were required. As the social architectonics leveled out and the range of goods became more accessible, ideas about quality changed in the direction of its quality quality components. At the same time, the possibility of quality falsification was formed. Further, both de facto and de jure, there was only a step to replace the brand qualities. Going beyond the limits of measure opens the way for legal violations and a moral crisis, up to lawlessness.

Were the trends in the interpretation of quality and attitudes towards quality that developed in the economy of mass production inevitable? No, they were generated by the new nature of production, reflected this nature and, to a certain extent, were an objective reflection, but, in addition to the object reflected by consciousness, there is an angle of reflection, due to the position of the consciousness of the reflecting subject, his interests as a participant in the processes taking place in objective reality.

Objective reality itself, by definition, resides outside and independent of consciousness. Its reflection is subjectivized, which, in general, looks in accordance with the theory of reflection. However, it allows, in private, and subjective distortion involuntary - due to misunderstanding, and conscious in order to obtain a temporary gain. Competition is always a struggle, unfortunately, the struggle is not always conducted according to the rules.

Quality has been and remains the subject of manipulation in the interests of those who control the market. The consensus about the quality of the creator, producer, seller and consumer is the sweetest fairy tale. Consent is achievable between creator, consumer and producer. This "trinity" embodies the subjective mechanism for resolving the problem of alienation. The creator - the creator of the product finds satisfaction in production and consumption. He realizes in them his human power. The manufacturer is interested in stable relations with the creator and the consumer. The consumer is satisfied with the quality and proportionality of the price. "Shares" and "sale" do not confuse him or deceive him.

The seller stands on the way to consensus, the subject of relations, which, in essence, has nothing to do with the quality of the goods, but it is he who is the key figure in the market economy. We get everything we need from him. He is a monopolist and, as such, dictates the terms of relations through price interest and profit margins. In twenty years, not a single branded light industry enterprise has appeared in Novosibirsk, on the contrary, a lot of trade brands have appeared. Trade rows are multiplying, and consumers are assured that the production of goods is unprofitable. The culture of the organization of trade is replaced by the concept of "sales quality". The culture of trade is measured by the assortment, price and physical availability of goods, high-quality advisory support, the absence of queues, compliance with sanitary and hygienic standards, the appearance and behavior of staff, after-sales service. The "quality of trade" is determined by the proportionality of the price and quality of the goods, the conformity of the goods sold with its certificate, and the demonstration of the goods. The seller's profit should not exceed the producer's profit. Both should not wait for an increase in consumer activity only by increasing consumer wages, but create the most favored nation regime for the buyer (without colluding with another predator of the market - banks).

The rate of inflation is a necessary but not sufficient indicator of the state of the quality of life. The government has taken inflation reduction as its main benchmark. The indicator is actually socioeconomically significant, it indicates the culture of the



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market and, indirectly, the state of production. The disadvantage of this indicator is the lack of quality in it. The quality of life is determined through the amount of products consumed in monetary terms. The qualitative composition remains constant and one can only speculate about quality, since quality erodes quality. The quality of shoes, clothes, cereals, fish, vegetables, fruits within the common name varies quite significantly. The reserve of quality manipulation is significant. The main thing is still in understanding the quality, not the name, but the systemic characteristic of the product, reflecting the assortment.

Quality is a system of properties that are essential for a product - this is commonplace and wellknown, which is actively used. Replacing properties or their consistency in a quality product. Essential properties are those that are not just inherent in the product, they determine its functionality. Such properties, as a rule, are revealed in the process of "work" of the product for its intended purpose, they are hidden from the unprofessional view of the consumer. In its "pure" form, the market is an intermediary and should not be interested in the quality of products. The task of the market in the theory of the organization of commodity production is the organization of exchange between the producer and the consumer. The development of the market stimulates the increase in production in the interests of the consumer within the infrastructural status of the market.

The monopolization of production led to the accumulation of financial capital, the automation of the latter, and the control of the market. As a result, the market has turned from an intermediary into a key subject, trying to replace the indicator function - to show the demand for goods - with the role of the organizer of economic activity as a whole, which distorts the economic system.

The economy of commodity production was created by the production of a product and the need for a mass product. The system-forming factor here is the production of goods as a product necessary for consumption by others, that is, the process of alienation of consumption. With natural production, the quality of the product was hardly an actual problem. Quality "dissolved" in the conservatism of technology and technology, traditional assortment. The question of quality was raised by the consumer when he got the opportunity to compare at the fair. The market, which grew out of fair gatherings, gradually enriched the representative status with the advertising business, taking control of the relationship between the producer and the consumer. Management levers - financial policy, directions - the main ones two: the impact on quantity and quality.

The quality of the product has become relevant in commodity production. It became clear that in the understanding of quality there are sensual and rational thinking (the latter in the form of calculation). The subjective factor is objectified and fetishized. The market is not able to influence the objective properties of a product directly (with the help of its own mechanisms), but it can very well influence the objectification of subjective ideas. So the manipulation of quality was first included in the functions of the market, then became an element of economic policy.

A sound and healthy economic policy is called upon to work on improving quality in two interrelated directions: technical and technological, completed by a rigid legal block of support, and socio-cultural - to provide comprehensive support for the formation of conditions for the subjective perception of quality, to block the negative effect of advertising influence, which has long and thoroughly become an attribute of market speculation on the importance of quality for the buyer. The presence of choice and solvent opportunities do not serve as a basis for the indisputability of a quality acquisition.

In the existing market, price and quality are divorced even at auctions, famous for the thoroughness of the organizational culture. The buyer is turned into an expert and this grimace of the market is not so bad as illogical. The market forces the consumer to develop as a person, we involuntarily try to learn more about the subject of interest, improve our "purchasing qualifications". The term is not new, it is used by journalists, but for them it is a passing, verbal number, and for us it is no longer a new combination of common words, but the most important concept, without which the modern theory of quality does not have a systemic holistic view.

"Purchasing qualification" includes, along with certain knowledge that helps to determine the location of the store, the price range for the goods, requires basic information about the manufacturer, quality features of the product, the manufacturer's market reputation, company traditions, scale of activity. Today, in the consumer market, the naive buyer runs the risk, beyond any reasonable measure, of being the victim not only of deceit, but also of his own carelessness, and therefore without any right to compensation.

The buyer in Russia is formally protected. In real life, one has to be guided by the famous rule "saving the drowning ("buying") is the work of the drowning themselves, read "buying". Raising the "purchasing qualifications", if there is a desire, is a mutually beneficial matter for the state, activating the cultural national heritage and the patriotic mood of the mass consumer.

We know how to make high-quality products and are quite able to regain "our" market. The question is not even the price, the problem is the loss of control over the consumer (and not only consumer, judging by failures in rocketry, aircraft operation, etc.) market. They explain to us: we need economic measures.



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True, however, it is a half-truth. If you need it, then take it. The government should have power that is not nominal. It's time to understand that economics has always been politics, economics has always been political economy.

Economic movement is self-movement, but it does not take place in a vacuum. The economy is the basis of social movement. Society provides the conditions for economic movement, and the state has the right to actively engage in the mechanisms of economic self-propulsion, directing the development of the economy in the interests of society.

The state sluggishly protects the legitimate interests of the national producer, even when the product is a product of interethnic integration. There is no political aggressiveness, politics is dragged along in the wagon train of the economy instead of being ahead of its development on the basis of objective socio-economic trends.

The time for political action—not decisions—is most propitious. The dope of the nineties and zero seemed to be on the decline. Awareness of the qualitative advantages of many Soviet products of the light and food industries is returning. There is a revival in consumer cooperation, which can stimulate the production of agricultural products in the countryside. There is a growing distrust of consumer imports, including due to their mass production in China. Migration flows are stabilizing.

Domestic producers need a "clear" economic policy. By "intelligibility" they mean: clarity, consistency, guaranteed support, allowing to cut off the many-sided arbitrariness of administrative bodies and "guardians" of order. Everyone is responsible for quality. And those who produce, and those who are called upon to ensure the rights of producers. The Customs Union has lit the green light for national goods on the market of the Treaty countries. Thus, an equilibrium real market competition has been created, which makes it possible to evaluate natural, and not advertising quality. By the way, a wonderful research topic is "real and "advertising" quality, i.e. created by advertising.

No less important, from our point of view, is to analyze the problem of quality in the coordinate system of the national mentality and interethnic integration. Integration is deliberately replaced by globalization, despite the obvious difference between these phenomena. Both trends are objective and characteristic of recent history.

Integration - interethnic interpenetration of various types of activities of a socio-economic, cultural and humanitarian scale. It may have an international size, for example - "Union State (RF and RB); local - Customs Union; regional (Shanghai Organization, EEC). Globalization indicates the worldwide scope of the phenomenon. Global problems include those that have arisen as a result of

common, but not necessarily integration, processes, and require a consolidated solution.

Global problems, in contrast to the problems associated with integration, are potentially relevant and have a strategic meaning. For example, how to protect life on Earth from large meteorites. When the time of the event is postponed, but it itself is super-relevant in significance, then speculators, including financial oligarchs, actively rush into the resulting gap, trying to profit from uncertainty.

Quality is associated with globalization, but practically not so relevant. Quality is closely related to integration.

Consider the problem of "quality of consumer goods" in the coordinate system "national" and "international". First of all, it is necessary to find an answer to the question: is integration capable of replacing the national component of quality?

Integration processes standardization and uniform metrological characteristics of production, which corresponds to objective reality. Technological progress is based on science, scientific knowledge is imperative in terms of normativity. However, being in common is not sufficient on its own. General requirements are realized through a special development, due to the specific circumstances of the action. In other words, no matter how standardized the production of a commodity is, it will still show the originality of the conditions of production.

The specificity of the conditions - regional, national is immanently present in the raw materials, climate, traditions, culture of consciousness of the performers. And in all this is the power of production, which determines the nuances of the quality of the product, creating a special consumer interest in it. Tea is grown in our time all over the world, but the uniqueness of tea plantations in Sri Lanka, the national attitude to tea, ensured the leading position in the quality of the Ceylon product. The same can be said about Kenyan coffee, Bulgarian and Chilean peppers, French cognacs and champagne, Ukrainian lard, Bavarian and Dutch beer, Scottish whiskey, Russian linen, Egyptian cotton, Chinese silk, Argentinean leather, Greek olive oil and much more. The concreteness of the environment should be valued and preferences for its reproduction should be provided. In the founding treaties.

The Customs Union reinforces the interethnic division of labor built in the 20th century, contributes to the expression of the objective and subjective aspects of the development of production, mutually enriches the market, facilitating the access of manufacturers to it. But this is all theory. Theory develops into reasonable practice not only because it is correct. Activity makes theory a practice, and in order to get the desired result, the activity must be systematic and consistent.



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Interest in the quality of goods, theoretically, should not begin in production. Its initial position is in a normalized market, more precisely, at a meeting between a manufacturer and a buyer. A normal market is an indicator of the quality of a product. Demand drives the production chain. But not the spontaneous demand of buyers abandoned to the mercy of fate. Demand is a state of mind determined by purchasing power, but not limited to the amount of money, especially when lending is stimulated by banks in every possible way. Demand farmed out to intermediaries, lobbyists, speculators is a deadly disease for Russia's national producer. Demand should be taken under control and formed, the buyer should be educated. Consumer education costs a lot. But it's worth it if you look to the future.

Market liberalism corresponded flourishing of the first type of mass production economy, focused on ensuring free access and choice of goods. Such production perceives the consumer as an abstract subject of the relationship in the system "manufacturer - seller - buyer". The seller is given the role of an active intermediary, but nothing more. It culturally provides a meeting point between producer and consumer. The system, on the other hand, must be functionally active, which implies not the presence of its constituent components, but their participation. The perfection of the system is not determined by aesthetics - a sign of design. It manifests itself in the maximum activation of the possibilities of that, the system of relations of which it acts. The perfection of the design of the system lies in the maximum realization of the potential of relations that create consistency.

The buyer is perfect as a subject of systemic interaction with his purchasing preparation. He is perfect not by the size of his ability to pay, his complicity is determined by knowledge of the commodity-economic situation. The consumer is not the object of the application of the actions of the seller and the manufacturer. The consumer is a subject of the market and it is in his (and other subjects too) interests to be informed not by the advertising community, but by professional sources. The quality of a product starts in the mind of the consumer. Imposing the idea of quality is bad for all legitimate subjects of economic relations. It needs to be brought up again by everyone: the manufacturer, the seller, the buyer himself and the institutions of civil society, if the state is passive.

The transition to mass production of the second type - a "smart", "prudent" economy activates systemic relations. The function of the market appears in a new light. Together with the manufacturer, the seller focuses on knowledge of consumer tastes. To the perfection of the system, it remains to take only one, but not an easy, step - the whole world to take up the formation of a consumer culture.

The accusation of the current generation in the consumer attitude to life is not entirely fair.

Consumption is the ultimate goal of production. The trouble is in the absence of a consumer culture of the mass consumer, the trouble is really of a socio-cultural dimension. Another consequence of funding cultural progress. Why does one power replace another, while culture is still in power last in line for political relevance? It is time to understand that not only science has become a direct productive force. Culture is also a factor in the development of production, and the factor is multifaceted and very effective.

The Yeltsin-Gaidar reforms were bound to destroy, first of all, mechanical engineering and light industry. Yeltsin did not differ in theoretical preparation. Gaidar, on the other hand, had to be clearly aware that most of our achievements in these industries - we do not take into account the military-industrial complex and space technology - were "home" successes. Here we clearly lagged behind competitors, with whom the Democrats aimed at the common market.

We didn't have what the Poles or the Chinese had. Polish interests were actively lobbied in Europe, the USA and Canada, and the scale of Polish transformations is not comparable to Russian ones. In China, after the Cultural Revolution, it was possible to minimize the cost of wages for the bulk of the working population. In addition, the Chinese leaders turned out to be clearly smarter, more honest and more patriotic. They were guided by the ideas of Deng Xiaoping about the parallel development of socialist gains and economic reconstruction, in fact they modernized the Leninist plan for the NEP. The experience of the growth of the industrial and financial might of the PRC in subsequent decades proved that it is not socialism that is economically weak, but those who manage socialist construction.

Reforms are rarely fruitful, but they are important nonetheless. Real, that is, scientifically based reforms, cannot be long-term. They are effective precisely because of the time limit. Time judges reforms and reformers. Pseudo-reforms, as a rule, take on a permanent expression, overgrown with references to the world situation, climatic anomalies, and so on. What happened in our country. However, one trouble does not come. The reformers had to explain to the people why they were testing their patience. They chose the same archival method - to shift from a sick head to a healthy one.

In the 2000s, myths about fools, roads, drunkenness, poor education, stagnation in science, engineering and technical creativity, managerial weakness, lack of ideas actively multiplied. The meaning of myth-making was simple: how difficult it is to manage such a people. Peter I, having inherited backward Rus', did not suffer. He acted and divided history into pre-Petrine Rus' and Peter's Russia, forcing the whole world to reckon with its interests.

Domestic myths multiply and spread. They are also gaining positions in light industry, which is



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politically dangerous, because they threaten to step up measures to integrate the economies, cultures, and strategic interests of Russia and neighboring states. Such tales discredit Russians in the eyes of those who are serious about cooperating with us now and in the future.

Let us dwell on some myths, one way or another connected with the present and future of the domestic light industry. It is important to analyze this in the professional and educational process as well.

Let's start with what everyone is talking about, with the thesis that we are sitting on the oil and gas needle, trade in coal, timber and mineral raw materials. Indeed, our income from the sale of raw materials is almost 50 percent. The indicator is frankly undesirable. Nevertheless, it would be possible to build a perfect economy, as Norway, the Emirates, Kuwait did. The essence of the problem is not that Russia has become dependent on its natural wealth, but how the income is used. China is developing production, especially transport, construction, and light industry. In our country, only recently, attention has been paid to those who shoe, clothe, and manufacture textiles for Russians. It turned out that the "unpromising" industry is responsive. The total market for clothing, footwear, accessories in 2020 amounted to 2.8 trillion. rubles, and in the past 2021 it passed the milestone of 3 trillion.

Another common myth about the inability to compete with similar production in China. There is no dispute - low wages give the Chinese a head start in the fight for cost. But the Chinese will be forced to raise wages, their other organizational expenses have already been optimized, the pursuit of quantity is accompanied by a loss in the quality of Chinese goods, hope for European brand orders should decrease due to crisis volatility and a reduction in external investment.

Europe and the US need China, but they need China working for them. The Chinese certainly think differently. Contradictions will grow as China gets stronger. Nobody wants to develop China into a world leader, except for the Chinese. The growth rate of the Chinese economy has slowed down.

There is one more circumstance hindering the development of the production of consumer goods in China - remoteness from the consumer. Now transport services are growing at a faster pace, because energy prices are high and are not going to decline in the foreseeable future. When the Americans artificially devalued oil in order to undermine the economy of the USSR, they hardly thought that their policy would boost production in China so much. The Chinese skillfully took advantage of the struggle of the superpowers. And the 1980s, 1990s, 2000s passed. Together with them, the political and economic situation in the world has changed.

For some time, cheap labor will be found in the countries of Southeast Asia neighboring China -

Cambodia, the Philippines, Malaysia, Thailand, Laos, Vietnam, Indonesia, but they do not have Chinese political stability that guarantees the safety of capital investments. In addition, they are maritime countries, rail and road communication with them is hampered by the underdevelopment of railways, their regional scale. Sea routes are not safe. Pirates of the 21st century around Africa behave in a businesslike way. They understand the futility of trying to escort all the "merchants".

Let's add to the arguments a thesis that does not often come into view: the low qualification of the labor force in the region. The quality of goods of complex production can be maintained by limiting mechanization and automation. The circle is closing, as highly qualified engineers and technicians are needed. They are accustomed to a certain way of life and a decent reward for their much-needed work.

Costs pulled up and began to disappoint investors. First of all, they are upset by the logic of the futility of continuing to move along the knurled road. Turning is always difficult, but it is necessary. Changes in real conditions imply changes in business planning.

Returning from distant countries to their homeland and Russian businessmen focused on the production of consumer goods: textiles, footwear, clothing. There are not as many examples as we would like, but they are significant and contagious. Well-known designers Kira Plastinina and Alena Akhmadulina reached out with production closer to their fellow countrymen. Plastinina built a clothing production in the Moscow region, Akhmadulina opened a factory in the Northern capital. The owner of 48 clothing factories and the Gloria Jeans brand, V. Melnikov, closed factories in China and settled in Russia and Ukraine. He has been working for five years and is mostly satisfied with his decision.

Experts agree that it is realistic for Russian manufacturers to fit in between European firms and Chinese consumer goods, the demand for which is forced. Statistics confirm that in the second half of 2021, Russians reduced spending on purchases in this market sector. We are able to compete with the Turks and Eastern Europeans, who have noticeably sagged in the United Europe.

V. Yevtukhov, Deputy Head of the Ministry of Industry and Trade of the Russian Federation, stated that our companies compete on an equal footing in the mass market in the sectors of men's suits, home textiles, bed linen, footwear, knitwear, finished leather and non-woven materials. One cannot but agree with the official's opinion about the presence of excellent designers in the country, the achievements of high Russian fashion.

Accession to the WTO has complicated the state's attitude to production. Essentially, it is separated from the production process. The participation of the authorities and the budget is



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limited by indirect influence through the creation of favorable and stimulating conditions for the development of production, such as government orders, customs duties, tax incentives, and improvement of the raw material base. And yet, the problems of the relationship between the authorities responsible for the well-being of the people and the production in which the people are employed and which feeds, shoes, clothes, equips them are not contained in the restrictions imposed by WTO membership. The essence of the new situation lies in the organization of the activities of the authorities themselves.

The conditions for joining the WTO exposed the socio-economic scale of the vices of Russian managers - the corruption component, low values of professional culture. The very ideological attitude to separate the managerial profession from the specifics of the object of management is also flawed. The "pure" manager brings us back to the attitude of the medieval scholastic realists.

There is a scientific theory of management, which has concentrated in itself the products of reflection on managerial experience. Like any theory, it is not a working tool for a manager. In it, the manager is looking for directions and possible methods of activity. Similarly, in a haute couture show, a businessman who understands fashion, economics and public sentiment is trying to capture significant ideas - a barometer of the market. The theory works only as an adapted application to the specificity of the control object. Those who do not know such specificity will be saved exclusively by the method command of management, subordinates the management theory of production reality.

A "pure" manager is a hostage of finances. For him, production is a combination of cash flows, and not the organization of human reproduction within the framework of national development. He is detached from the case and a stranger, as a rule, in the team the appointed commander from the "parallel" case.

The history of the 21st century with top managers clearly shows how significant they are. All top companies are the first to show signs of crises and the last to emerge from the crisis, despite state support. It's just that these companies are "national-forming", the face of the state. The state is interested in the fact that the face does not wrinkle prematurely. Most of the "VIP-persons" of the managers speculate on this. V. Yudashkin, who fulfilled the state order for the development and tailoring of uniforms for the Armed Forces, was rightly indignant at the fact that a company of "pure" managers headed by Serdyukov had created with his models and instructions, which placed the manufacture of things in China and changed those terms.

A "pure" manager everywhere is drawn not to production, but to finance. He needs a quick return.

The market rules the quick returns. Real production cannot jump, it moves smoothly.

The normal development of production requires, along with smart solutions, strict control over the strict execution of instructions. Everyone knows at what point and how political initiatives are hindered. It is also clear that the management of the management mechanism - officials at all levels - is the prerogative of the government. Precisely in the way it manages managers, apparently, it is necessary to look for a criterion of the quality of government activity. And this mission is called very simply - political will. There will be no order without a proper – justified – measure of will.

Peacekeepers like to hide behind numbers, presenting them in a way that suits them. Figures, especially large ones, impress the unenlightened. It is convenient and profitable to hide the alignment of affairs behind them - you can appear as a winner in the eyes of the public.

The government has developed and adopted the "Strategy for the development of light industry in Russia for the period up to 2025". Through the "seven years" the total share of domestic light industry goods in the domestic market should be equal to total imports. It is planned to achieve a strategic turning point in the interests of the domestic manufacturer.

The market has its own war, different from the usual, similar to the "cold". Here it is impossible to bring the matter to the complete destruction of the enemy. Pike in the lake does not allow the rest of the inhabitants to stagnate, makes them move in real time - space. In the early 1990s, tens of millions of Russians looked longingly at the richness of the assortment of foreign production. Twenty years later, frustrated Russians are looking for something of their own making, realizing that genuine quality cannot be infinitely colorful.

The pursuit of rich assortment has little in common with the normal interests of the mass consumer. There is never too much good, because there cannot be. Beyond the measure of the present, objectively given quality gives way to advertising. "Similar" is a mathematical concept that formalizes the quality of objects. "Similar" in reality, as a rule, replaces the true quality. Why? Because it reduces the quality of the product.

Quality is identical to originality, to itself. Wine from the same manufacturer, made according to a centuries-old recipe, differs in price depending on the year the grapes were harvested. The assortment is justified when it implements a variety of original quality and quality conditions.

When pushing imports out of the market, one must be prepared to expand the dispersion of the qualities of one's own products. But here our socialist experience is not great and it must be built up by all available measures. In particular, it is proposed to



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increase the share of innovative products in the total volume up to 46 percent.

Progress makes you move forward, but it hardly makes sense to rush. There are laws in the mass consciousness. It is conservative. Managers do not make a smart economy, it will become smart when it meets the sustainable interests of public demand. It is necessary not to chase innovations, but to study common sense in the minds of the people.

The Chinese do not like political change. The Russians are afraid of changes in the assortment. Comparing the advertised benefits of the latest products with real materials and the properties of rather forgotten things, they understand the trajectory of quality: it will be worse and more expensive. The 1990s taught us something, at least the euphoria of the assortment has passed. The consumer is inherent in the desire for something new, but an experienced consumer is selective in his attitude to renewal, matching the variety of display cases with the taste developed by the experience of consumption.

A 3-fold increase in exports over the planned time and bringing it up to 3-5 billion dollars is a very optimistic commitment. Therefore, such an unusual spread of values for statistics. As for the task of reducing shadow production and illegal import by 10 percent, everything here looks real, reflects the demands of lobbyists. The logic is interesting: for us, the external market is a problem that can be solved, but what we have inside is beyond our power to change significantly.

Officials reluctantly fight illegal immigrants. A lot of money is spinning in the shadow business, you can't earn that much on exports. By the way, our "horse" in light industry, for the mid-2010s, is not the development of foreign space, but the construction of our own market, otherwise the transition period of the economy from socialism to capitalism will drag on for a long time, and our capitalism will be a model of the European beginning of the 19th century.

Among specialists in the world economy, there is an opinion about the beginning of a mass exodus of capital from China. More restraint should be exercised in the evaluation of statistics. World financial flows like "capricious" rivers overflowing unpredictably, investments are overflowing in different directions and in waves. Even a significant observation time is not a sufficient basis for an unambiguous conclusion. In any case, China will continue to increase its production. The outflow of finance and curtailment of production will not scare them. China in the recent past has hardened, developing according to Mao's formula - "rely on one's own strength." We can position ourselves in the Chinese market by creating joint ventures. The Chinese will support such an initiative. It is easier to promote exports to neighboring countries by offering cheaper quality goods at lower prices.

Three hundred years ago, Peter I paved the trade route to Europe, providing domestic merchants with the movement to the West. Until the Soviet period, Russia remained a supplier of agricultural and natural raw materials to European partners. The European light industry worked on our raw materials, of course, not only on it, but the domestic product was known in the West for its quality and was in steady demand. In the memory of Europeans, the history of economic relations with Russia has been preserved at the genetic level. You need to activate the memory. V.V. Putin is right in ordering to comprehensively improve the image of the country among foreigners.

Often, China's success in science, technology, and attracting investors is associated with a gigantic diaspora in all parts of the world. There are naturally fewer former Russians. Nevertheless, there are many of them and they are also scattered by fate throughout the World. Most of the emigrants value their historical homeland and, for sure, do not mind helping, to the best of their ability, to create trust and interest in Russian manufacturers.

Humanity, fortunately, has not ceased to be surprised. Curiosity draws to the new, unusual, you want something good, necessary, beautiful and inexpensive. The simple availability of goods has remained a criterion for purchasing in already very poor corners of the Earth, from the population below the poverty line. All the rest are taught by the "variety" of cheap, no one knows where and how manufactured goods.

Advertising garish appearance and annoying advertising, assuring how beautiful they are, take the buyer into the recent past, which turned into a complete disappointment and loss of money paid. Back in the 1980s, the Chinese authorities punished up to execution for counterfeit goods, rightly believing that speculation on national authority undermines the status of a power. It is not our business to look for the true motives for the liberalization of the state attitude towards the production of consumer goods, but it is absolutely clear that by the beginning of the third millennium, China's reputation as a country that once produced high-quality consumer goods had reached critical values.

History is the best of teachers. By learning from historical experience and adjusting operations in real time, much can be achieved. In no case should you lose control over the quality of goods, nothing can justify such a policy. Mass and variety can be combined with quality. We need a novelty of impression - from the type, material, capabilities of the product.

One should not be deceived by the favorable prerequisites for the prospect of developing new markets and strengthening positions in existing ones. Preconditions are just real possibilities. Opportunities "wait" for the activity that transforms them into actual reality. Unfortunately, activity does not only



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transform one level of reality into another. She intersects with different interests. It is the multidirectionality of interests that is the regulating factor of movement towards the economic goal.

Competition for the external market is not limited to external confrontation between subjects and economic interests. There are "fifth columns" in economic policy, representing and vigorously defending the goals of opponents. They process the finances spent on their actions. This is the world practice, therefore it is so important to combine good intentions with will and practical energy. The strongest survives. The strongest in the struggle for the market is the one who skillfully uses the current situation and does not save on the promotion of goods, remembering how much the miser pays.

Much, as foreign practice shows, is determined by political will. The state acts within the framework of international relations, but it always has legal levers for managing economic processes. The state defense order made it possible to increase the share of products of domestic light industry enterprises to 70%, leaving in the dark those who logically ask: why not 100? The question is not rhetorical.

Mass order promotes technological progress, reduces unemployment in difficult regions, and includes reserves of vocational education. If there was not enough production capacity, it was possible not to hurry with the transition. Prepare production first. It's not military time. And so a third of the production was placed with competitors, complicating the conditions for the development of the industry. The jump from the old 30% to the new 70% is undoubtedly a step in the right direction, but there is no consistency in the movement, because it is not logical to "feed" a competitor and hope for an accelerated conquest of the foreign market.

The market is a complex and heterogeneous system. The system-forming factor of the market is the opposite of the interests of the seller and the buyer. One seeks to sell goods and make a profit, the other to buy and save. The resolution of the conflict of interests is based on the conformity of the price to the quality.

On the way of the buyer, as in a fairy tale, obstacles are placed. It is necessary to throw off the spell of advertising PR, to understand the signs of quality, since the market allows for almost unlimited technology of deception, for example, imitation of quality, to be aware of real prices (taking into account the fact that goods on the market are cheaper than in boutiques and supermarkets - lower costs, illegal delivery, etc.). The buyer is saved by the art of choosing and thinking within the boundaries of "common sense". Common sense is a reliable "pilot" in moving through market rapids and shallows, but it also has a temptation when something unusual is offered that evokes meaningful associations.

Flax is a traditional Russian export product. Products made from linen or with the addition of linen are popular. They are hygienic, eco-friendly, pleasant in sensual perception, linen fabric is technological, aesthetic, does not require a delicate attitude, all-weather.

The production of flax and linen fabric fell sharply due to the depression of agriculture during the years of "fateful" reforms. We need to encourage the peasants. Flax is laborious to grow and manufacture. You can't do without special equipment. With the creation of technical conditions and economic incentives for the manufacturer, business can be established quickly. Russian craftsmen guessed to use flax in combination with nettle. Nettle does not need advertising. By its properties, it is quite competitive with flax. In addition, it has the authority of a strong and persistent antibacterial agent, a circulatory stimulator, and a neurostimulator. Mixed fabric products at Siberian fairs went with a bang! They brought a novelty from the non-black earth Russian west. There is no doubt that the Western consumer will be interested in new products. And in the East they will be in demand.

Our state plans to organize textile clusters in several regions. Probably, it will also take into account the agricultural characteristics of the places where the promised clusters will grow. Material-intensive production, organized on a large scale, should be as close as possible to the raw material base. Especially in the conditions of growth of the rates for transportation at a faster pace. The separation of the producer of the final product and the production of the necessary raw materials places a double burden on the producer and on the seller. As a result, the retail consumer suffers, which, with the instability of the economy, will return to production like a boomerang. Why is it easier for the West to get out of crisis and depression than ours? Look for the answer in the market. Normally organized market for three centuries of existence of capitalism automatically responds to the decline in purchasing power. In difficult times for the economy, businessmen try to get the buyer's money by reducing the price burden on his "purse". The practice of destroying excess mass of goods to maintain prices is a thing of the past. The market stimulates the mass access of buyers to products by various promotions. Manufacturers come up with how to make the old cheap and new. The view of quality at such a time is simplified and loses its relevance until the next economic recovery.

We don't have anything like it on the market. The question involuntarily arises: do we also need to tune in to a three-hundred-year wait, or is there another way? For those who join the movement in the course of the latter, history gives a chance to noticeably accelerate. We must mobilize for the target installation. Again, political will is required. The self-propulsion of the economy becomes the main



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mechanism at the stage of a developed economy and a properly tuned national consciousness.

The public consciousness needs a clear, sympathetic goal and confidence that this goal is common and the fruits will be fairly divided. We have already built one social structure, the demo-reforms have ruined us. Question: who is to blame? stopped asking. The question remains: what to do? This question is eternal and a normal person is always looking for an answer to it, turning to social institutions and politicians that control social development.

Without an energetic agricultural policy, the Russian light industry will not be able to solve the set strategic tasks. In turn, it is unthinkable to raise agricultural production without scientific support in the 21st century. The process complicates the reform of Russian science. Therefore, it remains to hope that the costs will not be exorbitant and the time will not be endless. And it is also important not to lose positive experience in the inevitable bustle and financial shortage.

Conclusion

The collapse of the USSR deprived Russia of its cotton base and made it dependent on capricious suppliers with national ambitions. But it turned out that the country did not lose the ability to "produce its own newtons." Scientists-breeders opposed their cutting-edge developments to politicians. An early maturing cotton variety was created, which differs from world standards in greater resistance to drought - "AS-1". In 2012, we harvested the first cotton crop in the Astrakhan region, processed and produced high-quality cotton linen.

Logic shows that the task of creating in the country its own raw material base for the development of the light industry should be a priority. Technical and technological equipment, personnel training

should be carried out in the context of it. Of course, all the presented actions are interconnected. The base will have to be built and improved by specialists, without modern equipment and technologies it will not be possible to provide production with raw materials. Clusters will remain good dreams without a balanced system for building that direction in the economy, which someone mockingly called "light" industry. Difficult years await the light industry, but in Russia "hard" and "successful" have always been in the same team.

It is necessary to revive the role and significance of a quality-oriented strategy, since only in this case, enterprise managers will subjectively and objectively be forced to improve their production using nanotechnologies and innovative processes so that competitive and sought-after materials and products fully meet the needs of domestic consumers. At the same time, the assertion is substantiated that the consumption of domestic materials and products is regulated by the market. In this case, market requirements should dictate to manufacturers the need to increase the role of the state and consumers in the formation of sustainable demand for domestic materials and products, namely: to maintain the range of goods, regulating it with federal, regional and municipal orders; encourage price stability; increase consumer ability and gradually improve their quality. The implementation of these tasks will create a basis for the consumer to realize the need to pay for the benefits of quality materials and products, and the manufacturer to realize that improving the quality of materials and products cannot be associated only with rising prices, but also through technical innovations aimed at the use of new technological and engineering solutions, including making a quality revolution either through the quality of advertising, or through real quality.

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ON THE SEARCH FOR EFFECTIVE ECONOMIC SOLUTIONS TO ENSURE A STABLE FINANCIAL CONDITION FOR ENTERPRISES IN THE REGIONS OF THE SOUTHERN FEDERAL DISTRICT AND THE NORTH CAUCASUS FEDERAL DISTRICT

Abstract: In the article, the authors consider the role of quality as a tool for promoting the philosophy of quality in the production of competitive and in-demand products at light industry enterprises located in the regions of the Southern Federal District and the North Caucasus Federal District. At the same time, the authors absolutely reasonably confirm the possibility of such an implementation. If innovative centers are implemented, saturated with universal and multifunctional equipment, creating the prerequisites for the production of the entire range of footwear, namely: men's, women's and, most importantly, children's shoes, the demand for which is quite high in the regions of the Southern Federal District and the North Caucasus Federal District. And the use of software will provoke a significant reduction in the cost of its production and guarantee its sustainable implementation in domestic markets with unstable demand. And here it is important not to make a serious methodological mistake - to reduce economic policy to economic analysis, but to maintain the spirit of solidarity in the team - one for all and all for one - and success will surely find the seeker.

Key words: quality, demand, competitiveness, market, profit, demand, buyer, manufacturer, financial stability, sustainable TEP, priority, assortment policy, demand, implementation, paradigm, economic policy.

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Introduction

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When we hear about the protection of Russian manufacturers of anything: machine tools and cars,



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clothes and shoes, food and furniture, etc., we always think about the shadow side of the coin from such innovations: the quality of goods. The enterprise loses the incentive to improve it and update the range, because in the absence of imports, people will take anything. But representatives of the light industry have something else in mind: the decriminalization of clothing and footwear entering the domestic market.

In total, according to expert estimates, the population of Russia buys about 600 million pairs of shoes. In 2021, the domestic industry produced more than 52 million pairs (in 2020 - 51 million pairs), 100 million pairs come from official imports. Where do the other four hundred odd millions come from? They are imported in all sorts of illegal ways.

The state of fixed assets of the footwear industry does not allow producing high-quality, sought-after products. The enterprises use mainly physically and morally obsolete equipment that is not capable of ensuring the use of modern technologies. The degree of wear of machinery and equipment is 76.8%, the share of completely worn-out machinery and equipment is 61.2%.

The average level of capacity utilization in the footwear industry remains the lowest in the light industry - less than 30%. More than half of the enterprises and organizations of the industry are unprofitable. The investment climate in the industry continues to be unfavorable.

A significant decrease in the production of children's shoes at most Russian shoe enterprises, including in the regions of the Southern Federal District and the North Caucasus Federal District, is associated with the abolition of subsidies from the federal budget, with the imperfection of taxation in the production of children's assortment, and the insufficient variety of shoe styles for its production, especially for high school students .

In the consumer market of the regions of the Southern Federal District and the North Caucasus Federal District, domestic manufacturers of goods for children were forced out by foreign manufacturers that supply cheap shoes from low-quality materials and with gross violations of compliance with GOST requirements. In addition, these shoes, for the most part, do not have certificates of conformity and hygiene certificates, which provokes discomfort when wearing them and various foot diseases.

But these shoes continue to be bought, since consumer demand acts as the main factor influencing the formation of the assortment, which is provoked by a shortage of dissatisfaction among the population in the types of children's shoes offered for purchase. When choosing shoes, the consumer relies on a certain set of requirements that he imposes on the product.

When choosing shoes, buyers are guided by the quality, convenience and relatively low price of products. Buyers' priorities also depend on their belonging to a certain age group.

To revive the production of children's shoes in the regions of the Southern Federal District and the North Caucasus Federal District, first of all, it is necessary to create a number of shoe industry enterprises in those subjects of the district where socio-demographic factors and low employment are pronounced: these are the republics of Chechnya, Dagestan, Ingushetia, Kalmykia.

But newly created enterprises need state support, because. their own funds are insufficient, and borrowed funds are not available due to high rates. It is necessary to solve the common tasks of technological renewal of the industry at enterprises, replenish working capital, improve the efficiency of scientific and technical support for production for the manufacture of high-quality and affordable children's shoes.

What prevents the shoe enterprises of the Southern Federal District and the North Caucasus Federal District from successfully operating and producing that and so many shoes in order to succeed in filling their niche with competitive children's shoes?

The first of the problems- depreciation of equipment. Under these operating conditions, when many shoe enterprises receive income only enough to cover business-related expenses, then there can be no talk of re-equipping the enterprises' capacities. To solve this problem - and as a subtitle is the lack of investment to upgrade equipment - there are a number of opportunities, such as obtaining a bank loan, for readjustment and gradual phased replacement of existing equipment, and other methods.

However, the question arises, where is it most profitable, at minimal cost, to purchase equipment? The following figures can serve as an answer: 89.7% of all capacities involved in the footwear industry are produced abroad. In Russia, equipment for the production of shoes is practically not produced. Therefore, the following algorithm for solving this problem is proposed:

- to carry out an inventory and assessment of the technical level of production capacities that are still preserved. This is necessary in order to prioritize and predict the renewal of production.
- cancel for three years import customs duties and VAT on imported technological equipment for the textile and light industry, which is not produced in Russia.
- introduce differentiated taxation of fixed assets depending on the terms of their operation, thereby stimulating the renewal of their active part.
- exemption from taxation of that part of the profit that is directed to the modernization of production. That is, to seek the restoration of the previously existing benefit, which was actively working not so long ago and allowed most enterprises to solve their local problems.



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- creation in the country of an industry leasing company, possibly with the participation of state capital, in the likeness of the company "Agropromleasing".
- taking into account that the worn-out fixed assets of enterprises have practically no collateral value, to ensure that the federal executive authorities and the constituent entities of the Russian Federation act as guarantors for the implementation of the most significant technical projects.

<u>Next problem</u>- creation of conditions for fair competition for shoe enterprises, excluding the huge scale of illegal import of cheap low-quality products from abroad. To do this, it is necessary to increase the amount of customs duties on imported shoes.

To protect the domestic market from unfair competition, it is advisable to develop a law on the consumer market. It should, in particular, provide for

- a ban on trading organizations, including markets, to accept for sale goods from individuals who are not registered as an entrepreneur without forming a legal entity;
- Misleading reference to unfair competition: designation of the enterprise, false designation of the geography of origin of goods, counterfeit products, false accusations or unfair praise, complication of access to the market, etc.

To change the situation in the domestic shoe market of the regions of the Southern Federal District and the North Caucasus Federal District, and also, in connection with the need to meet the existing shortage of children's shoes, we proposed the following methods: to put into operation new production facilities to meet the existing deficit and place them in the regions of the Southern Federal District and North Caucasus Federal District, while we believe that to use existing empty buildings to reduce the cost of shoe production; in case of a shortage of working capital, recommend financial leasing, loans or factoring to enterprises; to produce shoes for children with different levels of family income, from materials of different cost, so that by varying the level of profit, including through the production of expensive shoes for an adult buyer, it would be possible to compensate for the costs of producing shoes from cheap materials for children. At the same time, it is desirable for each enterprise to sell such a volume of footwear in its price segment that will ensure not only a steady demand for it, but also the continuous development of the enterprise. This style of work is used by a developed enterprise for the production of children's shoes LLC "Egorievsk-obuv": to develop a range of footwear for children, taking into account the natural and climatic conditions and national characteristics of each subject of the region; to make shoes of various methods of fastening the workpiece from the top to the bottom (thread and combined methods of fastening); use nano - and innovative technologies in the production of children's shoes. This style of work is used by a

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Currently, other domestic shoe companies operating in a competitive environment with changing external influences are attaching more and more importance to conducting marketing research of their products. When underestimating the value of the results of the marketing system at a shoe company, its production capacities, intellectual and human resources become unclaimed. The dynamics of the impact of market demand on the range of shoes produced should be monitored by the marketing service at all stages of its life cycle and taken into account in systems responsible for the quality and quantity of manufactured products, their price, innovation, development of new types of products.

This is due to the fact that the situation on the market changes at each stage of the life cycle and requires a corresponding change in the strategy and tactics of the shoe company in the market, which is of particular importance.

Basic types of shoes go through 4-5 stages before disappearing from the market: introduction (introduction to the market), growth (development), maturity (stabilization), decline (decline and renewal of products), dying (dying and the beginning of a shoe assortment renewal cycle), namely:

the first stage is the presentation stage (the period of introducing new types of footwear to the market). At this stage, the demand for shoes is growing slowly. This is because the period when a new type of shoe is introduced to the market is not yet known to most prospective buyers;

At this stage, the company makes a small profit. Often an entrepreneur calculates losses, sometimes even very large ones. Retailers are usually very careful in replenishing their assortment with shoes that are at the presentation stage. They are aware that most regular customers are not familiar with shoes of this type, so there is always a difficulty in selling these types of shoes. At this stage, prices are set to a minimum, the enterprise has little or no profit;



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the second stage is the growth stage. If a given type of shoe survives the first stage, it continues to evolve. At this stage, sales increase rapidly. To meet the growing market, modified versions of the basic shoe model should be offered. Relative returns are high;

the third stage is the stage of maturity. At this stage, shoes have their own market and are in demand. At the stage of maturity, competition increases and reaches its maximum, as types of shoes from other manufacturers enter the market. As a result, profits are reduced overall and per unit of product, since discounting is widely used;

the fourth stage is the decline stage. At this stage, shoes that do not undergo any changes bother consumers, or the need that they were designed to satisfy disappears. An unpredictable reason for the decline in sales during the downturn may be the technical obsolescence of this type of footwear. During the recession stage, sales in the industry as a whole are reduced and many enterprises leave the market, as the number of consumers decreases, and the product range of shoes concentrates on models that sell best in the free demand market;

the fifth stage - the stages of decline and dying, i.e. the decline and renewal of the assortment of shoes, as well as the dying and the beginning of the renewal cycle with new types of shoes, are characterized by a slow and then a sharp drop in demand. In the face of declining sales and profits, manufacturers sometimes make efforts to restore demand for a particular type of footwear. They include the following steps: a new type of packaging, special advertising and price changes.

Although it is difficult enough to abandon the range of shoes produced, sooner or later, as sales continue to decline, entrepreneurs are forced to make such a decision. For shoes that are clearly in decline, sales representatives begin to reduce the number of deliveries, try to minimize repeat orders, then gradually phase out the supply of these types of shoes. They may even lower the price of leftovers in order to eliminate this type of footwear entirely. Thus, each stage of the footwear life cycle is a variable that determines the marketing activities in the target market.

The life cycle of footwear depends on the number of similar types of footwear, their competitiveness, as well as on the correct adoption of managerial decisions aimed at developing support measures to optimize the structure of the life cycle of this type of footwear.

The correct use of various marketing elements at various stages of the footwear life cycle is presented in Table 1.

It is very important to maintain the optimality of the life cycle, to determine the initial price for the type of footwear produced and the maximum possible price reduction, while maintaining the break-even production. To optimize this factor, the company should work out discount systems that allow attracting various consumer segments to purchase the company's products and thereby reduce the stock of manufactured but not yet sold products at the moment when it becomes clear that this type of footwear is losing its market share.

Table 1. The main elements of marketing at different stages of the life cycle of a type of footwear

Elements of	Life cycle stages of a type of footwear						
marketing	performance	growth	maturity	decline	dying		
Goals	Bring product to market	Win a strong position	Maintain market position	Engage all stocks	Go to a new lossless lifecycle		
Price	high	High, then slowly begins to decline	Stabilizes, then decreases	Keeps on falling	Minimal (up to scanty)		
Sales channels	Agents supplying testing batches of goods	Channels are used to increase sales, wholesalers are included	All possible channels are involved	The number of distribution channels is decreasing	Only those channels that provide the minimum supply are active		
Advertising	On the consumer properties of a new product, its advantages, its prestige is emphasized	Reinforced advertising, focuses on a variety of shopping motives	supportive, persuasive	supportive, reminiscent	reminiscent		



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In addition, a shoe company can go for an initiative price reduction in case of underutilization of production capacities, a reduction in market share under the onslaught of an aggressive competitive environment, etc.

Main part

If an enterprise uses an initiative periodic price reduction as a tool to influence consumers, taking care of its costs, developing measures to reduce them by improving equipment and technology, introducing new types of materials into production, constantly improving the quality of shoes, then one should be wary of a premature or sharp decrease product prices. Because a retail consumer of shoes may have a stereotype about the "poor quality" of the goods offered to him. And as a result, the company will receive not an increase in profit due to an increase in sales due to a price reduction, but a sharp drop in demand for this type of footwear and, as a result, a decrease in sales and a negative financial result for this type of footwear.

Different enterprises have different approaches to determining the strategy for the production of a range of footwear, depending on the needs of the available resources, market, and demand characteristics. Moreover, the same shoe company can use different strategies for different types of shoes. The choice of strategy is usually based on its competitiveness. Various approaches or methods for analyzing the portfolio of orders are used, which allow evaluating the range of the manufactured assortment of footwear in terms of the profitability of its individual elements.

One such approach was proposed by the Boston Consulting Group. This method classifies various combinations of footwear with a differentiated production program based on what is known as a growth matrix, or "business line portfolio".

The application of this approach requires taking into account the current and potential market segmentation, various time aspects of the profitability of a particular combination of footwear types, as well as the impact of competition. For example, an enterprise may be the largest in its industry, but at the same time not occupy a leading position in any of the market segments.

For shoe combinations that show low sales growth, it is remarkable that their market share is usually high and they can be offered to the consumer, since they are able to generate more revenue than is required for investment in production. These combinations of shoes are especially popular with salespeople because of their high demand and are attractive to the sales and marketing manager because they can bring in the real money needed to develop and support the sale of new or updated types of shoes.

The really tough challenges pose to management, marketing and sales managers for

footwear that has a small market share, often needs support, and lags far behind the leading products in terms of market position and consumer confidence. For those who deal with it, the following questions inevitably arise: will it become in demand, how much time and money will it take for it to be in demand, what is its prospects in the market? Such combinations of types of shoes, as a rule, do not enjoy the sympathy of sales agents. Small market share and weak demand, often low confidence and ignorance of buyers, weak advantages over competing types of shoes make it difficult to sell them. However, if there is a demand for them, sales agents should direct their maximum efforts to organizing their sales. However, the sales and marketing manager may find it necessary to introduce a special promotional commission rate and provide personal guidance to support salespeople's efforts to market these shoe combinations.

Consequently, only in a close alliance of manufacturers and distributors engaged in the sale of the range of footwear manufactured by these enterprises, it is possible to form highly efficient shoe enterprises in the Southern Federal District and the North Caucasus Federal District, capable of operating in a free market.

The formation of consumer demand is of current importance in the conditions of market relations, since knowledge of the processes of development, management and satisfaction of the population's demand for specific consumer goods makes it possible to make informed management decisions when drawing up a production program, planning retail turnover and its commodity supply. In addition, the study of the patterns of formation of the effective demand of the population for certain groups of goods makes it possible to purposefully influence the volume and structure of their production and consumption in order to identify the quantity of goods and their qualitative structure, which, in turn, will most fully satisfy the needs of the population with the available resources.

The shoe market is an integral element of economic relations, the participants of which are, on the one hand, shoe manufacturers, and on the other hand, consumers. Footwear is one of the most important goods produced by the light industry of the Russian Federation and imported from abroad. The degree of satisfaction of consumer demand, the profitability and profitability of manufacturers depends on the competitiveness of the assortment. The result of the interaction of the constituent parts of the market (demand, supply, price for shoes) is the possibility of maximum satisfaction of demand for products at a specific price.

The Southern Federal District and the North Caucasus Federal District are the most compact districts in Russia in terms of territory. Their total area is 589.2 thousand km² (3.5% of the territory of



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Russia), the population is 22.8 million people. (14.9% of the population of Russia). Demand factors include:

- comparative competitive advantage. The product must have distinct features or distinct advantages over existing analogues, products or services of competitors on the market;
- social orientation. At the same time, it is necessary that the product fits into existing social conditions, so that the proposed product corresponds to the current lifestyle and value system of the consumer;
- <u>ability to satisfy the consumer</u>. That is, the product must perform all the functions to meet the key needs and requests of the buyer.

Demand is driven by consumer preferences, where it is not the objective characteristics that are decisive, but the subjective perception of the properties of shoes - the purchasing value, consisting of a number of components. Therefore, it is important to establish by what evaluation criteria the buyer purchases shoes with the desired combination of properties.

When choosing shoes, the consumer relies on a certain set of requirements that he imposes on the product. This set of consumer requirements is presented in Table 2, which was formed according to the sociological survey of 1000 residents living in the city of Rostov-on-Don, conducted by employees of the Institute for Advanced Studies in the city of Rostov-on-Don.

The calculation method is that the number of respondents who assigned the first place to the parameter is multiplied by 9 points, as a maximum according to a nine-point system. Then the number of respondents who gave the parameter the second place is multiplied by 8 points. After polling all the respondents for the parameter under study, the sum of points is determined. This sum is further divided by 100 for ease of presentation. The parameter with the highest score is the highest priority, the one with the lowest score is the least priority. This technique has proven to be the most effective and has been used by marketing services for a long time, which is why it was preferred.

The number of responses of buyers who prefer the place from 1 to 9 Indicator A priority Parameter scores 6 424 **Ouality** 283 175 118 80.1 Convenience 302 221 235 145 47 50 74.36 2 Affordable 91 3 274 216 186 161 72 72.05 price natural leather 182 170 198 155 123 172 56.2 4 98 204 88 70 52.5 5 Durability 163 193 184 71 102 272 243 128 42.5 Fashion 184 6 Design 72 145 179 201 246 157 31.3 7 Natural fur 97 149 228 282 244 25.7 8 127 274 599 9 Color 15.28 Total: 1000 1000 1000 1000 1000 1000 1000 1000

Table 2. Buyer priorities when choosing shoes

Thus, according to Table 2, when choosing shoes, buyers are guided by the quality (80.13 points), convenience (74.36 points) and price (72.05 points) of products. Buyers give the least preference to the color of shoes (15.28 points). Buyers' priorities also depend on their belonging to a certain age group. For all groups of buyers, the priority is the quality and comfort of shoes. Also, the marketers of the institute found that among other factors for buyers under 40 when choosing shoes is fashion and design, while for buyers over 40 it is the price. Only 35% of the surveyed buyers are satisfied with the quality of imported shoes, 32% - they note its low level of quality, 54% of buyers are satisfied with the quality of Russian shoes, 26% - the quality is not satisfied, 35% - consider domestic shoes quite comfortable, 39% -

uncomfortable. On average, shoppers purchase two pairs of shoes per year.

The data obtained reflect the gaps between the demands of buyers and the achieved level of domestic footwear production. That is, more than half of the respondents are satisfied with the quality of domestic footwear, but 39% of respondents consider domestic footwear uncomfortable.

If we focus on the fact that 47% of the population of the region are rural residents with a low level of income, then, accordingly, footwear produced in the region must first of all meet two basic requirements - convenience and low price. Then the released footwear will be successfully realized in the region. Of course, other characteristics are also important, especially if the target market is not only the regions



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of the Southern Federal District and the North Caucasus Federal District, but also the regions of Russia.

Shoe manufacturers want to know what to expect from the future state of the market. This knowledge is a matter of "life and death" for them. Who knows how demand, product supply and prices will change in a month, in a year, in five years, he can make the most effective commercial decision. Therefore, one of the most important functions of marketing is market forecasting.

A market forecast is a scientific prediction of the prospects for the development of demand, product supply and prices, carried out within the framework of a certain methodology, based on reliable information, with an assessment of its possible error.

To analyze the demand for shoes, we will calculate the aggregate demand in the regions of the Southern Federal District and the North Caucasus Federal District and make a forecast estimate of its behavior. Shoe manufacturers in the Southern Federal District and the North Caucasus Federal District are presented in Table 3.

Table 3. Shoe manufacturers in the Southern Federal District and the North Caucasus Federal District

Manufacturer's name	Issue in 2009, thousand pairs	Specific weight, %	
SE KBR "Narbek"	43.3	0.36	
FL Bris-Bosphorus LLC	11047.8	91.52	
ZAO "Donobuv"	233.7	1.93	
LLC "Mercury TV"	89.3	0.74	
OOO "Mira"	175.7	1.08	
FL CJSC "Donobuv Taganrog"	406.6	3.38	
FL CJSC "Donobuv Salsk"	74.6	0.62	
Total:	12071	100	

Thus, the market capacity is E = 12071 thousand pairs (Table 3), which corresponds to 19917 million rubles

Naturally, knowing the market capacity, it is possible to determine the coefficient that characterizes the satisfaction of demand, using the formula

$$k = \frac{E}{C} = \frac{19917}{137129,37} = 0,145$$
, (1)

The value of k=0.145 indicates that there are huge reserves for enterprises in the regions of the Southern Federal District and the North Caucasus Federal District to increase the volume of sales, and with a greater degree of certainty it can be argued that the demand for products due to domestic shoe enterprises located in the territory of the analyzed two districts is not satisfied.

The resulting market development forecast showed a possible increase in market capacity ranging from 82,048.67 million rubles. up to 152376.07 million rubles.

According to the calculations, in the regions of two districts there is a shortage of footwear. Next, the quantitative value of the shoe shortage is calculated for each segment of the regions in the two districts.

The need for shoes was calculated from the recommended wardrobe indicators for children up to 4 pairs, women 5-7 pairs, men 3-4 pairs. Based on data on the required consumption and actual output of shoes, the size of the deficit is compiled for each assortment group and for each subject of the Southern Federal District and the North Caucasus Federal District.

The greatest shortage of shoes is observed in the North Caucasus Federal District, in some subjects it is 100%. Things are a little better in the Southern Federal District, where the shortage of shoes is 59.2%. In total, in the Southern Federal District and the North Caucasus Federal District, the deficit in shoes in 2009 was equal to 46,105 thousand pairs, i.e. 74%.

Thus, the presence of such a deficit, as it were, creates the basis for the organization of shoe enterprises in regions where today there is a tense social situation due to the lack of jobs, and only the goodwill of municipal, regional and federal branches could implement our proposals and significantly facilitate the life of multinational peoples these regions.

At present, after Russia's accession to the WTO, light industry enterprises of our country more than ever need product quality management systems in order to successfully compete not only in the domestic but also in the foreign market. This is especially true for footwear manufacturers, because the rather low quality level of domestic footwear is one of the reasons for its low competitiveness compared to foreign analogues of European manufacturers.

In Russia, 51.1 million pairs of shoes were produced in 2021, of which more than 35% were produced by enterprises in the Southern Federal District. Thus, the South of Russia occupies a leading position in the production of footwear in the country.

But, despite the large share in production, in the region the demand for shoes is satisfied only by 14.3%, and in the North Caucasus Federal District, due to the lack of shoe enterprises - 0.1%.



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Thus, more than half of footwear products are imported from other federal districts and from abroad, in addition, most of the footwear enterprises operating in the regions operate unofficially.

One of the options for solving the problem of reviving the shoe industry in the Southern Federal District, the North Caucasian Federal District and ensuring the demand for domestic footwear is the transformation of disparate light industry enterprises in these regions into a competitive shoe cluster.

A cluster is a group of geographically adjacent interconnected companies (suppliers, manufacturers, etc.) and related organizations (educational institutions, government bodies, infrastructure companies) operating in a certain area and complementing each other.

The regions of the Southern Federal District and the North Caucasus Federal District have the following competitive advantages for the formation of a shoe cluster:

- there are educational institutions that continue to train highly qualified personnel for the light industry;
- the regions are characterized by the presence of a large number of unemployed people (unemployed), the percentage of unemployed among women is especially high, which requires the creation of new jobs, reducing social tension in these regions;
- the possibility of producing shoes in a wide range, not only by type, but also by fastening methods, including for children, taking into account the national characteristics of those living in these regions;
- the potential for the development of the raw material base through the implementation of the program for the development of the number of cattle and pigs;
- the presence of local manufacturers of certain types of components and raw materials (JSC "Taganrog kozhzavod" Rostov region, LLC "Kozhzavod" Kabardino-Balkaria, etc.). The presence of a shoe cluster in the Southern Federal District and the North Caucasus Federal District will provide a number of advantages for its enterprises and regions;
- increasing productivity due to the most efficient combination of production factors, access to information, better coordination of activities, creation of public goods (skilled workforce, specialized infrastructure that reduces costs, etc.), stimulation of rivalry, limiting the impact of unfair competition;
- innovation is widespread due to rapid response to changing customer needs, availability of information about new methods, technologies, supply opportunities or experimentation at lower cost;
- the creation of a cluster contributes to the spread of new technologies, not only the relationship between enterprises is developing, but also the effective interaction of the shoe industry with science, education, which also affects the strategy of regional authorities;

- accessibility of enterprises and local organizations within the cluster to information about marketing, technology, current customer needs, which can be better organized and cost less, which allows enterprises to work more productively and reach the advanced level of productivity;
- Sharing the high costs and risks of innovation between network participants, which are beyond the power of an isolated firm. Reducing the costs of acquiring and disseminating knowledge and technologies becomes possible due to the inclusion of knowledge producers in the association, personnel migration between cluster members and continuous learning as a result of the implementation of formal and informal ties;
- the cluster has a positive impact on increasing the competitiveness of footwear products, influencing its two main components: price and quality. It makes it possible to reduce the cost of retraining personnel, consulting services, development and implementation of new technologies. Plus, the cluster will also solve social problems by providing a large number of jobs at the enterprises included in the cluster;
- implementation and certification by enterprises of a product quality management system in accordance with ISO 9000 series standards.

At present, product quality management guarantees a stable position for shoe enterprises in the Southern Federal District and the North Caucasus Federal District, so theyit is necessary to radically change our attitude to the quality of products.

The current level of market relations requires the product manufacturer and service provider not only to ensure compliance with the requirements established for its products and services, but also to guarantee stability and reliability in its contractual obligations to the buyer. The saturation of the offers makes manufacturers win the trust of their consumers, as well as strive to anticipate their requirements and expectations.

In recent years, a practice has developed in which the main criterion for the reliability of a supplier of products or services is the presence of a certificate of conformity of the Quality Management System (QMS) with the requirements of international standards (IS) ISO (International Organization for Standardization) series 9000. This certificate confirms the presence of controlled conditions for the production of products of such quality, under which customer satisfaction is achieved.

The new version of the ISO 9000 series standards, GOST ISO 9000-2015, GOST ISO 9001-2015, which entered into force on January 1, 2016, reduced the number of standards and clarified the fundamental requirements for quality management.

These standards have become the most popular because of the significant promotional advantages they give the certificate holder over their closest competitors.



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The ISO 9000 standards are pretty versatile. They do not offer absolute quality criteria for each individual product and service. And they are based on the concept of quality, as the ability of products or services to meet the needs of people. Therefore, ISO 9000 standards only set the methodology for the functioning of the QMS at the enterprise, which should provide the required level of quality. The quality management system, developed in accordance with the ISO 9000 series of standards, is a means of achieving the following goals of the enterprise management:

- production of high-quality competitive products and at the same time obtaining maximum profit by monitoring product quality at all stages of its manufacture;
 - improving the quality of work;
 - performance improvement;
- reducing losses from marriage and unplanned expenses, eliminating or reducing costs associated with consumer claims.

The creation of an effective quality system at enterprises united in a cluster will make it possible to achieve the set goals at optimal costs and within specified time intervals.

The international standard ISO 9000 defines a QMS as a management system for directing and controlling an organization with regard to quality. The QMS is designed to organize the activities of the enterprise in such a way as to guarantee the quality of the products or services of the enterprise and "tune" this quality to the expectations of consumers (customers). At the same time, its main task is not to control each unit of production, each operation, but to make sure that there are no errors in the work that could lead to inconsistencies. The QMS focuses on the prevention of problems, which is relevant and important for the shoe industry.

Enterprises included in the cluster will receive such benefits as demonstrating the capabilities of the cluster to the customer, creating a favorable image; the ability to compete on an equal footing with certified companies; focusing the activities of the staff on achieving the goals of the company and the expectations of customers; achieving and maintaining the desired product quality; effective coordination of work, increased productivity, reduced costs; elimination of duplication of functions, optimization of information flows, improvement of performance indicators and business efficiency.

QMS that meets the requirementsGOST ISO 9000-2015, is a guarantor of the stability of the organization's activities, as well as the fact that no force majeure circumstances will affect the cluster's ability to provide consumers with high quality shoes. The state of affairs of Russia's light industry is a special burning topic. In what state and what prospects does this industry have in Russia today? The critical situation in the shoe industry of the Southern

Federal District and the North Caucasus Federal District, not least, and the result of the inability of many managers of shoe enterprises in the Southern Federal District and the North Caucasian Federal District to quickly adapt to the new requirements put forward by the market, to the emerging competition from Russian and foreign manufacturers. Therefore, the current situation has led to the need to develop a strategy for the development of production for the production of a competitive range of footwear that is in demand on the shoe market of the Southern Federal District and the North Caucasus Federal District, near and far abroad and aimed at meeting consumer demand for domestic products and solving issues of improving the socio-economic situation in the regions through the creation of new jobs. In this regard, on the basis of a new aspect, a systematic organizational and structural methodological approach is proposed to consider and study the processes of development of the shoe industry in the Southern Federal District and the North Caucasian Federal District from the standpoint of the need to ensure global coordination of dispersed enterprises within the framework of an industry self-regulatory organization based on problem-oriented, purposefully formed situationally constructed dynamic organizational managerial clusters.

It is the formation of such organizational and managerial clusters that can solve a significant part of the crisis problems, increasing the degree of manageability of footwear industry enterprises. The project of creating an intersectoral cluster involves the use of not only the usual principles of hierarchical management, but also etarchic, which is based on the process of coordinating all participants in the cluster formation. The methodological basis for evaluating the effectiveness of the performance of a shoe enterprise would be a model for the formation of the competitiveness of an enterprise, according to which an assessment of the competitiveness of an enterprise would be possible on a quantitative measurement of the influence of factors on the competitiveness of products and the competitive potential of this enterprise. Today, the total volume of the market for light and textile products takes second place after the food market. On an annualized basis, this is more than two and a half trillion rubles, which is a significant amount of the country's GDP and, when compared with other industries, it is four times the market for consumer electronics and pharmaceuticals, and twice the market for the automotive industry, not to mention other industries. It is important that this industry is characterized by a high rate of capital turnover, which also favorably affects its investment attractiveness. In addition, light industry is an integral part of the development of the regional economy, making a significant contribution to the creation of jobs, primarily in the field of small and medium-sized businesses. Industry enterprises are located in 72



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regions of our country. There are several thousand enterprises and associations in this industry. At the same time, about 70 percent of these enterprises are city-forming for their regions. In total, about 400 thousand people work at these enterprises, respectively, 75 percent of them are women. Thus, the development of light industry is the most important task, both from an economic and social point of view.

The Ministry of Industry and Trade together with the Ministry of Finance, the Ministry of Economic Development and the Ministry of Defense and the regions of the two districts supported the development of a state program for the development of light and textile industries. This primarily concerns subsidies. The amount of subsidies for repayment of interest rates on loans for the purchase of raw materials in this industry has almost doubled. Next year, the amount of the subsidy will be increased to 640 million rubles. Also increased the amount of subsidies for the repayment of interest rates on loans for those. reequipment, the volume was brought up to 225 million rubles and for the first time 275 million rubles were allocated for activities to promote products to the market. Such work will be carried out, among other things, within the framework of thematic collective stands at exhibitions and fairs, which are supported by the Ministry of Industry and Trade. It also continues to support scientific developments aimed at improving the raw material base and the production of innovative finished products through the development and implementation of new technologies. There is confidence that the competent systematic use of these measures by business circles with the support of regional authorities will allow Russian manufacturers to compete quite successfully with imported counterparts even in the context of Russia's accession to the WTO.

This is confirmed by the experience gained by Donetsk Manufactory. Today, the company occupies 60% of meeting the needs of the Russian market in terry products, and this despite the fact that in our market there is quite serious competition from our now WTO partners - China, Turkey and a number of other countries whose products have successfully proven themselves on this market. Therefore, it is very important to skillfully, just like our competitors from other countries, use methods in a timely and effective manner, including those to reduce discriminatory measures on the part of colleagues in relation to domestic products, which will allow skillfully and effectively, even taking into account entry into the WTO, conquer new markets and defend their positions. Of course, the development of the industry, including its technological modernization, is the task of private business. The state has no right to subsidize an inefficient investor. But for those who have taken this path of modernization, the Ministry will develop the existing tools, offering new mechanisms to attract investors. In particular, the issue of increasing the

amount of subsidies on loans for technical reequipment to 90% of the refinancing rate and expanding the areas of subsidies for the construction of new enterprises is currently being worked out. Moreover, for a long time, the Ministry of Industry and Trade, together with the Ministry of Finance, have been looking for tools to help light and textile enterprises receive government support in order to guarantee them faster launch of modern high-tech production. The Ministry will develop the existing tools, offering new mechanisms to attract investors. In particular, the issue of increasing the amount of subsidies on loans for technical re-equipment to 90% of the refinancing rate and expanding the areas of subsidies for the construction of new enterprises is currently being worked out. Moreover, for a long time, the Ministry of Industry and Trade, together with the Ministry of Finance, have been looking for tools to help light and textile enterprises receive government support in order to guarantee them faster launch of modern high-tech production. The Ministry will develop the existing tools, offering new mechanisms to attract investors. In particular, the issue of increasing the amount of subsidies on loans for technical re-equipment to 90% of the refinancing rate and expanding the areas of subsidies for the construction of new enterprises is currently being worked out. Moreover, for a long time, the Ministry of Industry and Trade, together with the Ministry of Finance, have been looking for tools to help light and textile enterprises receive government support in order to guarantee them faster launch of modern hightech production. Currently, the issue of increasing the amount of subsidies for loans for technical reequipment to 90% of the refinancing rate and expanding areas of subsidies for the construction of new enterprises is being worked out. Moreover, for a long time, the Ministry of Industry and Trade, together with the Ministry of Finance, have been looking for tools to help light and textile enterprises receive government support in order to guarantee them faster launch of modern high-tech production. Currently, the issue of increasing the amount of subsidies for loans for technical re-equipment to 90% of the refinancing rate and expanding areas of subsidies for the construction of new enterprises is being worked out. Moreover, for a long time, the Ministry of Industry and Trade, together with the Ministry of Finance, have been looking for tools to help light and textile enterprises receive government support in order to guarantee them faster launch of modern high-tech production.

Currently, these ministries have revised their attitude to the most serious problem - counterfeiting. In October 2019, under the auspices of the Prime Minister, the next Anti-Counterfeiting Forum was held. This forum will now be held annually; in 2022, within the framework of the customs union, it will already be held in Kazakhstan. Today, the share of



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products of Russian enterprises in the domestic market does not exceed 25%. At the same time, the share of legal imports is about 40%. Accordingly, illegally imported and illegally produced products on the territory of the Russian Federation still account for more than 35%. This is a large volume, therefore, ousting illegal products from the market is the main reserve for the development of the industry. When there is such a situation on the market, it is impossible to adequately speak about the competitiveness of the Russian manufacturer, since the conditions for competition are too distorted by illegal products. A separate topic is the work of the industry within the framework of the Common Economic Space. The formation of the Eurasian Economic Commission makes it possible to take advantage of the natural advantages of each of the countries participating in this integration process. At present, within the framework of the EEC, it is planned to develop a joint program for the development of light industry in Russia, Belarus and Kazakhstan.

On December 16, 2011, the protocol "On the Accession of the Russian Federation to the Marrakesh Agreement Establishing the World Trade Organization of April 15, 1994" was finally signed in Geneva. At the same time, documents relating to the customs sphere began to operate, which directly affected the conditions for the import and export of goods.

Since Russia is actively involved in the processes of regional economic integration within the framework of the Customs Union, its entry into the WTO cannot but affect relations with Belarus and Kazakhstan. Therefore, in order to coordinate the work of the members of the Customs Union, on August 22, 2013, the agreement dated May 19, 2011 "On the functioning of the Customs Union within the framework of the multilateral trading system" came into force, in which the parties confirm their desire for an early accession to the WTO, aim at integration into the world economy and strengthening of foreign economic relations. According to the agreement, the provisions of the agreement on the establishment of the WTO become part of the legal system of the Customs Union, and the parties take all measures to bring it into line with this agreement.

One of the key and discussed during Russia's accession to the WTO was the change in the rates of import customs duties, which has a direct impact on the development of national production and the receipt of customs payments to the federal budget. The agreement excludes the possibility of exceeding the rates of the Common Customs Tariff over the rates of the import tariff in accordance with the agreements of the parties on joining the WTO.

In addition to import duties, Russia's accession to the WTO affects the rate of export duties and fees for customs operations. Thus, the Government Decree of July 21, 2012 N 756 approved new rates of duties

on goods exported from the Russian Federation outside the Customs Union. In addition, according to the Government Decree of 20.07.2011 N 595, the amount of fees for customs operations is reduced to 30 thousand rubles. in relation to goods, the customs value of which is more than 10 million rubles.

Thus, as a result of Russia's accession to the WTO, there were serious changes in the field of customs regulation. This should have a direct impact both on the foreign trade turnover of Russia and other members of the Customs Union, and on the development of national economies. Simplification of import-export operations is in line with Russia's chosen course of openness to the global trading system. The application of the new rules will reveal all the advantages and disadvantages of integration processes.

One of the conditions for Russia's accession to the WTO was, first of all, the observance of national interests in the field of international economic relations and in the sphere of the domestic economy. Moreover, these interests must be balanced and understood by the international community. At the same time, the WTO accession process is already serving as a catalyst for the necessary changes in the country, including changes in legislation. 90% of the necessary changes in the legislation have already been made.

The most important advantage of Russia's accession to the WTO is the reduction of the customs tariff and easier access to the Russian market for imported goods. The anticipated reduction in the tariff barrier (the weighted average tariff of 11% will be reduced to at least 9%) could lead to a reduction in government revenue from import taxation. However, there is reason to believe that tax revenues from imports may increase due to increased transparency in customs and an increase in the size of imports themselves. The Russian position in the negotiations with the WTO member countries is that there should be no real reduction in the level of customs tariffs after the country's accession to the WTO.

The ongoing discussion in the country on the issues of Russia's accession to the World Trade Organization, which in a number of cases acquires a state of panic, actually leaves aside the problem of exporting goods and services. But it is precisely the prospects for domestic exports that are the most important among the possible consequences of joining the WTO for the Russian economy.

When Russia joins the WTO, other countries should provide it with the most favored nation in trade (MFN) regime, which will create additional opportunities for domestic exporters. However, the structure of Russian exports is such that for the main part of exported goods (energy) the import duty is either zero or extremely low.

This means that Russia's accession to the WTO has not become a significant factor facilitating our



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export while maintaining its former dependence on the raw material structure. But joining the WTO gave Russia a chance and opportunity to improve the structure of commodity exports.

The government's plan for the adaptation measures needed to defeat foreign competitors in the World Trade Organization (WTO) is basically ready.

The WTO adjustment plan has not yet been approved. But a number of measures from it have already received decent funding when approving the state budget for 2023÷2025.

If the turnover of light industry products produced in 2021 in the domestic market of Russia is estimated at 2 trillion. rubles, the share of domestic producers is no more than 20%. And today half of imports consist of smuggling. However, in the course of negotiations with the WTO, import duties had to be reduced from the current 40% to 5% within three years. Consumers, of course, will only benefit from this. But in order to save the producers as well, the government proposed to the State Duma to legally exempt light industry, as has already been done with regard to farmers, from income tax. The 2023 federal budget provides for 2.5 billion rubles to make up for the losses of regional budgets. In total, 5 billion rubles are reserved in the budget for emergency assistance to domestic producers, who will suffer from Russia's accession to the WTO.

How, according to the Russian Union of Industrialists and Entrepreneurs (RSPP), enterprises that may suffer from the WTO should be rescued:

- -lower taxes for them;
- reduce import duties on imported components,
 semi-finished products and raw materials that they use:
 - abolish property tax on purchased equipment;
 - introduce preferential treatment for investors;
 - organize assistance in anti-dumping disputes;
 - finalize anti-dumping legislation;
 - encourage energy efficiency;
 - simplify access to customs statistics;
- -simplify the VAT refund procedure for exporters;
 - accept international technical regulations;
- adopt international financial reporting standards;
- to expand the list of protectionist measures that do not contradict WTO rules (such as a recycling fee);
 - provide priority access to public procurement;
 - subsidize lending to lower rates;
- develop programs taking into account the characteristics of regions and industries;
 - monitor compliance with WTO rules.

In this regard, the problem of increasing competitiveness through the use of international standards for products and services is one of the main problems of the modern economy.

In Russia, the fund of national standards has about 25 thousand standards, but only about 37% meet international requirements. Therefore, the improvement of systems for certification and standardization of products and services has become a strategic task of the Russian economic reform.

The international standards developed by the International Standards Organization, especially the ISO 9000 series (published in 1994), which establish quality requirements and become the basis for product quality management in about 400 thousand quality systems of private and public enterprises, have received the widest recognition in the world 150 countries. Their new version, which came into force on January 1, 2016 - GOST ISO 9000 - 2015, GOST ISO 9001 - 2015 - reduced the number of standards and clarified the fundamental requirements for quality management.

With the advent of quality system standards, a universal measure of comparison has emerged that allows you to assess which suppliers meet the established minimum requirements and which do not. Today, more than six hundred thousand enterprises in the world have certified their quality systems according to ISO 9000 series standards. In Russia, their number is progressively increasing. These standards have become the most popular in the history of ISO because of the significant promotional advantages they give the certificate holder over their closest competitors.

The experience of the last decades has shown that it is the quality of light industry products that today guarantees a stable position for shoe enterprises in the Southern Federal District and the North Caucasus Federal District. Those enterprises that expect to compete successfully not so much in quality as in price are deeply mistaken, they are in for bankruptcy because, firstly, a modern buyer is more likely to overpay to a competitor whose product turns out to be of better quality, and secondly, the more efficiently the quality system works the cheaper goods it will produce. Sometimes they say: the only correct way to win the consumer (and hence the market) is not to compete with manufacturers, but with their quality systems. In fact, there is a serious power in the quality system certificate, you just need to be able to release it. There are many examples among Russian enterprises.

The quality of training specialists is largely determined by the perfection of the equipment used in training, the use of modern information and pedagogical technologies.

In the training of specialists for light industry, the leading place belongs to the basic universities of the textile and light industry. The release of specialists who meet the requirements of modern production, who own advanced innovative technologies and computer design tools, is one of the main tasks of training modern highly qualified personnel.



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To implement the developed program for the development of light industry through the creation of new enterprises equipped with the latest equipment and technology, there is an increasing need for specialists with CAD skills. Fluency in various computer tools and automated systems is today's requirement for a graduate for any industry, including specialists for shoe and clothing enterprises. Their mastery of applied and universal systems, as well as their application in their field of knowledge, is the most rational way to achieve this goal.

In the current situation in higher education in Russia, in the new system for the preparation of bachelors and masters, multimedia technologies are not becoming an addition to the educational process, but a necessary and obligatory tool that allows preparing highly qualified personnel for light industry in higher educational institutions.

However, the acquisition of equipment in itself does not solve the problem of training specialists. The task of transition to new innovative technologies requires new methods of training specialists, in which the main place is occupied by methods based on multimedia - as a new direction in the education and training of highly qualified specialists.

This task must be solved and can give an effective result based on the use of advanced technologies and modern teaching aids, familiarization and mastering the experience of teaching similar disciplines abroad and developing our own teaching methods.

At present, conditions have been created for solving the tasks set. Teachers can undergo special training and fully master the skills of working on these systems. They will also prepare guidelines and manuals for performing laboratory and independent work in the disciplines of CAD and computer design of light industry products, guidelines for the final qualifying work of bachelors and master's theses. Currently, a lot of work has been done to create electronic textbooks in special disciplines. Establishment of the CAD/CAM laboratory will make it possible to conduct classroom activities using new pedagogical technologies and interactive methods.

The widespread introduction of the Gerber and Crispin system in the educational process allows:

- -use active learning methods;
- -to individualize learning in the conditions of collective cognitive activity;
- -to integrate the educational and research activities of students;
- -replenish the centralized fund of educational information and the necessary educational software;
- to create an information constantly updated database for the implementation of student design and research work:
- -increase the effectiveness of practical and laboratory classes;

- improve the culture of education;
- increase the rate of accumulation of vocabulary;
 - -integrate science, education and production;
- carry out real projects for specific production conditions.

If the Ministry of Education and Science finances the training of specialists for the light industry in full, then we can confidently expect that the goals and objectives formulated by the Federal State Educational Standard of Higher Professional Education will be achieved.

Achieving the goal in the development of the shoe cluster is possible only through a comprehensive technological modernization of the real sector of the region's economy. With regard to the Southern Federal District and the North Caucasus Federal District, it is possible only if the interests of all participating economic entities are taken into account. These are areas such as:

- increasing the share of the innovation sector
 and introducing technological innovations at enterprises forming clusters;
- -development of entrepreneurial activity in the field of large, medium and small businesses and mutual cooperation in order to introduce innovations, which leads to the expansion of existing and the creation of new clusters;
- -strengthening links and interdependence between industrial enterprises and research and educational centers and schools;
- -improvement of the territorial distribution of industrial enterprises.

In conclusion, considering the process of formation and implementation of cluster policy in the regions of the Southern Federal District and the North Caucasus Federal District, we point out that this is a difficult task, the development and implementation of which should be of a scientific nature. Its success depends on many factors and conditions, and the central place here belongs to the scientific principles of management and the desire for dynamic development of the regions of the two districts, the interest of all branches of government, both municipal and regional, and federal branches of government, which was confirmed by the decision of the Coordinating Council for Industry "On the situation in the light industry of Russia and its raw material supply", the work of which took place in December 2020 in Donetsk, Rostov Region, namely:

- the Department of Forestry and Light Industry of the Ministry of Industry and Trade of Russia, together with the relevant departments of the Ministry of Agriculture of Russia, to work out the issue of additional measures to develop the domestic raw material base for light industry, including a differentiated approach to subsidizing;



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- the Department of Forestry and Light Industry of the Ministry of Industry and Trade of Russia, in order to increase the investment attractiveness of the industry, to work with the relevant departments of the Ministry of Finance of Russia and the Ministry of Economic Development of Russia on proposals to increase the subsidy rate and expand the areas of subsidies starting from 2023;
- to recommend to the executive authorities of the constituent entities of the Russian Federation;
- prepare regional programs aimed at increasing the competitiveness of light industry enterprises and covering the entire production cycle, including the marketing component;
- get acquainted with the results of the most important innovative project being implemented by the Ministry of Industry and Trade of Russia Development and development of the production of innovative multifunctional dual-use textile materials (including school uniforms) and develop measures to promote the products of advanced Russian light industry enterprises to the regional market, including through regional and municipal state orders;
- the Department of the Automotive Industry and Agricultural Engineering, the Department of the Aviation Industry, the Department of the Shipbuilding Industry and Marine Engineering of the Ministry of Industry and Trade of Russia to consider proposals from light industry enterprises on the possibility of using Russian-made textile and leather materials for the automotive, shipbuilding and aircraft industries;
- -departments of the Ministry of Industry and Trade of Russia, within their competence, to work with supervised enterprises and organizations on the purchase of special and working clothes from Russian light industry enterprises;
- -Deputy Minister of Industry and Trade of the Russian Federation Evtukhov V.L. together with the Department of Domestic Trade, hold a meeting with representatives of light industry enterprises and associations on the issue of working with retail chains;
- the government of the Ivanovo region, together with the department of the chemical-technological complex and bioengineering technologies and the department of forestry and light industry of the Ministry of Industry and Trade of Russia, to finalize the business plan for the project for the production of polyester fibers and threads, taking into account the assessment of its effectiveness when working on imported raw materials (TPA and EG), and also the possibility of switching from 2022 to domestic raw materials;
- the Department of Forestry and Light Industry of the Ministry of Industry and Trade of Russia to initiate an appeal to the Ministry of Economic Development of Russia with a request to apply to the Eurasian Economic Commission to organize a trilateral meeting (Russia-Belarus-Kazakhstan) on the

issues of prompt exchange of data on customs statistics, implementation of joint projects in the field of light industry;

—to recommend to the heads of the constituent entities of the Russian Federation located on the territory of the North Caucasian Federal District (NCFD), in order to prepare a meeting with the Deputy Prime Minister of the Russian Federation - Plenipotentiary Representative of the President of the Russian Federation in the North Caucasian Federal District A.G. Khloponin to prepare and submit proposals to the Ministry of Industry and Trade of Russia by February 15, 2023 to stimulate the creation of industrial production in the North Caucasus Federal District, as well as to improve the regulatory legal framework in terms of providing federal, regional and local tax benefits and other preferences.

The goals have been formulated, the tasks have been defined - now the joint efforts of the federal, regional and municipal branches of government are needed to implement them.

First the legal and organizational foundations for the formation of the Customs Union were determined back in the second half of the 1990s, when the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation adopted the Agreement on the Customs Union of January 6, 1995, the Agreement on the Customs Union of January 20, 1995 and the Treaty on the Customs Union and the Common Economic Space of February 26, 1999, which were generally of a framework, declarative nature. These international treaties determined the goals, principles and mechanism of the Customs Union, the stages of its creation. However, the direct formation and development of the international legal framework and the institutional framework of the Customs Union began in 2007, when the Interstate Council of the EurAsEC within the framework of three states - the Republic of Belarus, Republic of Kazakhstan and the Russian Federation - was endowed with the status of the Supreme Body of the Customs Union and the Commission of the Customs Union was created - a single permanent regulatory body of the Customs Union, the main task of which was to ensure the conditions for its functioning and development. Natalya Borisovna Slyusar talks about the further formation of the Customs Union (CU) and the Common Economic Space (CES).

- How did the improvement of the institutions and legal framework of the CU continue?
- The question touches on two aspects of the TS. They are, of course, interconnected, but I would mark them separately:

firstly, these are the legal aspects that are associated with the formation of the legal framework of the CU, which consists of international treaties and decisions of the CU bodies;

secondly, these are aspects of the formation of the institutions of the CU and the SES. We will



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consider them, but first I would like to give some general assessments of all the work that has been done within the framework of the EurAsEC on the formation of the CU and the CES.

The historical experience of the world community and the experience of the CIS states in taking measures to form customs unions should be taken into account.

All over the world, the 20th century gave rise to a new form of interstate economic integration in the form of customs unions, and, at present, there are more than 30 of them. Guatemala, Honduras, Nicaragua and El Salvador became members of the Central American Common Market. Costa Rica joined two years later. In 1963 a customs union between the European Union and Turkey (EU-Turkey Association) has also been established. And in 1964. An agreement was signed to create a customs union between Egypt, Iraq, Jordan, Yemen, Libya, Mauritania and Syria, called the Arab Common Market. The Organization of Eastern Caribbean States, whose members are Antigua and Barbuda, Grenada, Dominica, Montserrat, Saint Kitts and Nevis, Saint Vincent and the Grenadines, was established in 1991. We also know such customs unions, like the EU and Mercorsur and others. By the way, the USSR is also a customs union, since the main features are obvious - a single customs territory, a single customs tariff, rules for trade with third countries, etc.

The growing number of customs unions, the expansion and strengthening of their position in the international arena indicate that this form of interstate integration brings huge economic, political, social and other benefits to their participants. The Union makes national economies much stronger, allows its participants to act as a single integrated economic and political bloc in international relations, increases the political and economic weight of states on a global scale, and also opens up great prospects for individuals in these countries, especially for business entities.

The Customs Union of Belarus, Kazakhstan and Russia was formed in accordance with the goals and objectives of the Treaty on the Eurasian Economic Community. Three states out of five at the first stage (in accordance with the decision of the Interstate Council of the EurAsEC) from October 6, 2007 began to form the Customs Union and the Common Economic Space, taking into account that these states are the closest to each other in terms of their economic development. In the future, other EurAsEC member states, Kyrgyzstan (an application has already been received) and Tajikistan, are expected to join the legal framework. At the same time, I draw your attention to the fact that the Customs Union under consideration is not an international organization as such, and as the above-mentioned international associations are listed, but a form of trade and economic integration of the

EurAsEC member states. The Customs Union of Belarus, Kazakhstan and Russia provides for a single customs territory, within which in mutual trade in goods originating in a single customs territory, as well as originating from third countries and released for free circulation in this customs territory, customs duties and restrictions of an economic nature are not applied, with the exception of special protective, antidumping and countervailing measures. On the territories of the CU member states, a single customs tariff and other uniform measures for regulating trade in goods with third countries are applied. To operate these rules, a number of international treaties have been signed. as well as originating from third countries and released for free circulation in this customs territory, customs duties and economic restrictions are not applied, with the exception of special protective, anti-dumping and countervailing measures. On the territories of the CU member states, a single customs tariff and other uniform measures for regulating trade in goods with third countries are applied. To operate these rules, a number of international treaties have been signed. as well as originating from third countries and released for free circulation in this customs territory, customs duties and economic restrictions are not applied, with the exception of special protective, anti-dumping and countervailing measures. On the territories of the CU member states, a single customs tariff and other uniform measures for regulating trade in goods with third countries are applied. To operate these rules, a number of international treaties have been signed. On the territories of the CU member states, a single customs tariff and other uniform measures for regulating trade in goods with third countries are applied. To operate these rules, a number of international treaties have been signed. On the territories of the CU member states, a single customs tariff and other uniform measures for regulating trade in goods with third countries are applied. To operate these rules, a number of international treaties have been signed.

- Is the common economic space also a form of economic integration?
- Yes, this is the next step in the development of economic integration of the EurAsEC member states. The customs union within the framework of the EurAsEC (CU) became the basis for the formation of the Common Economic Space (CES). The CES is a qualitatively deeper form of integration, providing for the free movement of not only goods, but also services, capital, and labor resources within the common customs territory of the CU. To this end, along with the unification of foreign trade regulation, the parameters of macroeconomic policy, the tax system, antimonopoly and labor legislation, and migration policy should be harmonized.

The regulation of these integration processes required the creation of its own institutional system,



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i.e. bodies empowered to adopt international treaties and other normative legal acts (rules, regulations, recommendations), by their own decisions.

Thus, on October 6, 2007, the Interstate Council of the EurAsEC (the Supreme Body of the Customs Union) at the level of heads of state adopted the first three international treaties aimed at forming the legal framework of the Customs Union:

Treaty on the Commission of the Customs Union (CUC).

Treaty on the Creation of a Single Customs Territory and the Formation of the Customs Union.

Protocol on the Procedure for Entry into Force of International Treaties Aimed at Formation of the Legal Framework of the Customs Union, Withdrawal from and Accession to Them.

A significant step in the development of the institutional framework of the Customs Union was made on December 12, 2008.

In order to further form the institutional framework of the Customs Union at the level of heads of government, the Agreement on the Secretariat of the Customs Union Commission was adopted. This is the working body of the Commission, the main function of which is the organizational and legal support of its activities. The Rules of Procedure of the Commission of the Customs Union were also approved, establishing the procedure for preparing and holding meetings of the Commission, the procedure for making decisions, their publication and entry into force. A new version of these Rules of Procedure was approved at a meeting of the Supreme Body of the Customs Union on November 27, 2009. In the period from 2018 to 2021, the system of bodies of the Customs Union was presented as follows:

- Interstate Council of the Eurasian Economic Community (Supreme Body of the Customs Union);
 - Commission of the Customs Union;
 - Court of the Eurasian Economic Community.

Also, four structures were created that are not included in the system of bodies of the CU, but perform a number of important functions that ensure its functioning:

- Expert Council within the Customs Union;
- Committee for the regulation of foreign trade;
- Coordinating committee for technical regulation, application of sanitary, veterinary and phytosanitary measures;
- Coordinating council on information technologies.

Since July 1, 2021, the Customs Union has been fully operational. On January 1, 2022, a package of 17 international treaties of the Common Economic Space, signed by the heads of state on December 9, 2020, came into effect. In accordance with the CCC agreements, functions were assigned not only in the field of foreign trade, but also in economic policy in general. This dictates the need to improve the institutional framework of the Customs Union and the

Common Economic Space. A total of 145 "supranational" functions, on the basis of 111 international treaties that form the legal framework of the CU and the CES, have been transferred for direct regulation to the powers of the CCC. These are the functions in scope:

- customs-tariff and non-tariff regulation;
- application of protective anti-dumping and countervailing measures;
- ensuring technical regulation and sanitary, veterinary and phytosanitary control in the Customs Union;
- maintenance of customs statistics of foreign trade and statistics of mutual trade;
- ensuring customs regulation in the Customs Union;
 - ensuring the functioning of the CES.

In this regard, on November 18, 2021, the heads of states of the Customs Union signed in Moscow:

- Treaty on the Eurasian Economic Commission;
- Declaration on Eurasian Economic Integration;
- Decision on the Rules of the Eurasian Economic Commission (EEC) and the formation of a new, stronger apparatus of the EEC.
- What is the difference between the legal status of the Eurasian Economic Commission and the Commission of the Customs Union?
- From the date of entry into force of the EEC Treaty, the CCC is abolished. And the powers vested in the Commission of the Customs Union in accordance with international treaties that form the legal framework of the CU and the CES, as well as decisions of the Interstate Council of the Eurasian Economic Community (the Supreme body of the Customs Union), are transferred to the EEC. Thus, the status of the Commission does not change, but only its structure and work procedure, which I will talk about later. In addition, it should be borne in mind that in accordance with the said agreement, from the date of its signing, the Supreme Eurasian Economic Council exercises the powers vested in the Interstate Council of the Eurasian Economic Community also in with the indicated agreements. accordance international treaties of the CU and CES.

Now let's return to the newly created Eurasian Economic Commission (hereinafter referred to as the EEC). In accordance with Article 1 of the Treaty on the Eurasian Economic Commission dated November 18, 2021 (hereinafter referred to as the Treaty), the Parties established the EEC as a single permanent regulatory body of the Customs Union and the Common Economic Space.

The Commission consists of the Council of the Commission and the Collegium of the Commission. The procedure for the activities of the Council and the Collegium is regulated by the Rules of Procedure of the Commission, approved by the Supreme Eurasian Economic Council at the level of heads of state.



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As part of its activities, the Commission has the right to form structural subdivisions (hereinafter referred to as the Departments of the Commission), representative offices of the Commission in the Parties, by decision of the Supreme Eurasian Economic Council at the level of heads of state in third countries and their associations, as well as at international organizations.

The EEC, within its powers, adopts decisions that are binding on the Parties, and recommendations that are not binding. These decisions are included in the contractual and legal framework of the Customs Union and the Common Economic Space and are subject to direct application on the territories of the CU member states.

The Council consists of one representative from each Party, who is a deputy head of government, endowed with the necessary powers, in accordance with the legislation of the respective Party. Council meetings are held as needed, but at least once a quarter. The time and place of the next meeting of the Council are determined at the previous meeting of the Council

The Board of the Commission is the executive body of the Commission, which develops proposals in the field of further integration within the framework of the Customs Union and the Common Economic Space. The Board of the Commission consists of 9 members, one of which is the Chairman of the Board of the Commission. The composition of the Board of the Commission is formed according to the principle of 3 members of the Board of the Commission from each member state of the CU, who are appointed by the decision of the Supreme Eurasian Economic Council and work on a permanent basis in the Board for 4 years.

The activities of the Supreme Eurasian Economic Council, the Council of the Commission and the Collegium of the Commission are ensured by international employees of the departments of the Commission.

- We have considered the bodies of the Customs Union and the Common Economic Space representing the system of executive power, but what about other institutions of the Customs Union, for example, the Judicial system of the Customs Union? Is the activity of the EurAsEC Inter-Parliamentary Assembly changing?
- The competence of the EurAsEC Court, the legal status of which is determined by the Treaty on the Establishment of the Eurasian Economic Community of October 10, 2000 and the Statute of the EurAsEC Court, approved by the Decision of the Interstate Council of the EurAsEC dated July 5, 2010 No. 502, was expanded in connection with the formation of the Customs Union and the introduction of As a result of this change in Art. 8 of the Treaty on the establishment of the EurAsEC (Minutes of October 6, 2007 on amendments to the Treaty on the

establishment of the Eurasian Economic Community of October 10, 2000).

The main task of the Court is to ensure the uniform application by the member states of the Customs Union of international treaties in force within its framework and decisions taken by its bodies. The Court also considers disputes of an economic nature arising between the member states of the Customs Union on the implementation of decisions of bodies and provisions of CU agreements, gives explanations on them, as well as conclusions.

After the unification of the customs territories of the states forming the Customs Union, the Court shall exercise the following powers:

- considers cases on the compliance of acts of the CU bodies with international treaties that form the legal framework of the Customs Union;
- considers cases on challenging decisions, actions (inaction) of the CU bodies;
- gives an interpretation of international treaties that form the legal basis of the Customs Union, acts adopted by its bodies;
- resolves disputes between the Commission of the Customs Union and the states that are members of the Customs Union, as well as between the member states of the Customs Union on the fulfillment by them of the obligations assumed within the framework of the Customs Union.

The jurisdiction of the Court may also include other disputes, the resolution of which is provided for by international treaties of the Customs Union. Such an international treaty is the Agreement on Appeal to the Court of the Eurasian Economic Community of Economic Entities on Disputes within the Customs Union and Features of Legal Proceedings on Them of December 9, 2010, according to which the Court is empowered to consider cases on applications of economic entities:

- on challenging the acts of the Commission of the Customs Union or their individual provisions;
- on challenging the actions (inaction) of the Commission of the Customs Union.

The basis for challenging the acts of the CCC or their individual provisions or actions (inaction) of the Commission of the Customs Union is their inconsistency with international treaties concluded within the framework of the CU, which resulted in a violation of the rights and legitimate interests of economic entities granted by these international treaties in the field of entrepreneurial and other economic activities.

- For more than 10 years, the functions of the EurAsEC Court have been carried out by the Economic Court of the CIS. Such powers were assigned to him on the basis of the Agreement between the Commonwealth of Independent States and the Eurasian Economic Community. Is there any plan to change this situation?



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- From January 1, 2022, the EurAsEC Court began its independent activities. Funds have been allocated for the formation of the Secretariat of the Court. In December 2011, the EurAsEC Inter-Parliamentary Assembly appointed judges of the EurAsEC Court. In accordance with the Protocol on Amendments to the Statute of the Court of the Eurasian Economic Community dated July 5, 2021, a provision is introduced according to which the Court, as part of the consideration of cases based on applications from economic entities, is entitled, in exceptional cases, to hold one or more off-site meetings in a place other than seat of the Court. Considering that the EurAsEC Court was formed and began its independent activity, the question arose of the continued existence of a quasi-judicial body in the system of bodies of the CU, which is the Expert Council within the framework of the Customs Union. This Expert Council was authorized to consider applications from economic entities of the Customs Union member states on the issue of compliance of binding CCC decisions with the legal framework of the Customs Union. However, from the moment of its formation, the CCC Secretariat has not received applications from business entities that would have been drawn up in accordance with the Regulations on the Expert Council.

- Let's return to the question of the formation of the legal framework of the Customs Union and the Common Economic Space.

- Formation of the legal framework of the Customs Union and the Common Economic Space was carried out in stages, but in a very short time. It should be taken into account that the decision to form the legal framework of the CU and the CES was made by the heads of state during the crisis of the global financial system, which could not but affect the state of the economies of the states of the Eurasian Economic Community (EurAsEC).

In order to avoid further economic recession of the EurAsEC member countries, the heads of state of Belarus, Russia and Kazakhstan decided to create conditions for the restoration of a capacious domestic market, within which to create conditions for the preservation and modernization of the production of the three states, as well as to increase the competitiveness of the economy on a new technological basis. In this regard, on January 25, 2020, the Supreme Body of the Customs Union at the level of heads of government adopted 9 international agreements in the field of customs, customs-tariff and non-tariff regulation. The heads of government also determined the principles for levying indirect taxes on the export and import of goods, the performance of work and the provision of services in the Customs Union.

In the period 2019 - 2021 Within the framework of the Customs Union, the Agreement on the Procedure for the Introduction and Application of

Measures Affecting Foreign Trade in Goods in the Common Customs Territory in Relation to Third Countries and the Agreement on Licensing Rules in the Field of Foreign Trade in Goods were adopted.

In addition, in accordance with the Treaty on the Creation of a Single Customs Territory and the Formation of the Customs Union of October 6, 2007, the stages and terms for the formation of a single customs territory of the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation were developed and approved, providing for three main stages of the formation of a single customs territory of the TS. In particular, the following stages are defined:

preliminary - until January 1, 2020 the first - from January 1, 2021 to July 1, 2021 the second - from July 1, 2021 to July 1, 2021

At the same time, the heads of state determined the final date for the creation of a single customs territory of the Customs Union - July 1, 2021. At the preliminary stage, two main tasks were solved: completing the formation of the legal framework of the Customs Union and organizing a phased transfer of agreed types of state control, with the exception of border control, to external outline of the single customs territory.

On November 27, 2019, the heads of the member states of the Customs Union signed the Treaty on the Customs Code of the Customs Union. Thus, the codification of the customs legislation of the Customs Union has been carried out, which indicates a qualitatively new level of interstate economic integration.

In the field of customs-tariff and non-tariff regulation, the Interstate Council of the EurAsEC approved the unified Commodity Nomenclature for Foreign Economic Activity of the Customs Union (TN VED CU) and the Unified Customs Tariff of the Customs Union (CCT CU). The heads of state also decided to transfer to the CCC a number of important functions in the field of customs-tariff and non-tariff regulation, provided for by the relevant international treaties of the Customs Union, in particular, the maintenance of the CU CCT.

In the field of consumer rights protection, the Supreme Body of the Customs Union decided to empower the EurAsEC Court with the functions of resolving disputes within the CU.

At the same time, the Expert Council, empowered to consider applications from legal entities and individuals engaged in economic activities of the Member States of the Customs Union on the compliance of CCC decisions with its legal framework, has become a mechanism for direct appeal of the Commission's actions.

As part of the preliminary stage, international agreements on technical regulation, sanitary, veterinary and phytosanitary measures were also adopted.



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In accordance with the tasks of the first stage of the formation of a single customs territory of the CU member states, from January 1, 2010, the Customs Union Commission has been working to exercise its powers in the field of tariff and non-tariff regulation of foreign trade of the Customs Union.

So, from January 1, 2021, a number of international treaties and regulatory legal acts in the field of customs and tariff regulation came into force, including the FEACN of the CU and CCT of the CU. Three agreements of the Customs Union on non-tariff regulation have also come into effect since that date.

In order to implement Art. 57 of the Customs Code of the Customs Union, the Unified Database of Preliminary Decisions of the Customs Union on the Classification of Goods and the Technical Conditions for the Transfer of Data on Preliminary Decisions on the Classification of Goods have been developed.

The Commission of the Customs Union, within the framework of its powers, approved the List of goods for which quotas and volumes of tariff quotas have been established for the import of goods into the territory of the member states of the Customs Union, as well as the List of goods that are essential for the internal market of the Customs Union, in respect of which, in exceptional cases temporary restrictions or export bans may be established.

In connection with the entry into force of the Treaty on the Customs Code of the Customs Union, the norms of which are largely of a reference nature, it became necessary to put into effect simultaneously with the Code the legal mechanisms developed to implement its provisions.

Thus, on May 20, 2021, an Agreement was signed on the establishment and application in the Customs Union of the procedure for crediting and distributing import customs duties (other duties, taxes and fees having an equivalent effect). The Agreement establishes a single unified mechanism for crediting and distributing among the member states of the Customs Union of import customs duties, other duties, taxes and fees having an equivalent effect.

In development of the provisions of the adopted international treaties of the CCC Customs Union, a number of important legal acts in various areas of regulation were approved, among them, in particular, among them:

1) in the field of customs regulation:

forms of customs declarations and instructions for their completion;

the procedure for conducting customs expertise during customs control;

forms of general registers of persons carrying out activities in the field of customs;

instructions on the procedure for using transport (transportation), commercial and (or) other documents as a declaration for goods; and etc.;

2) in the field of customs and tariff regulation:

regulation on the procedure for the technical maintenance of a unified TN VED CU and the Regulations for interaction on issues of maintaining a unified TN VED CU;

- regulation on the procedure for making decisions and clarifications by the CCC on the classification of certain types of goods, etc.;
- 3) on the application of sanitary measures, the implementation of veterinary control and the application of veterinary and sanitary measures, as well as technical regulationadopted a number of lists of goods to which these measures apply, and provisions on the procedure for their implementation.

The second stage in the creation of a single customs territory of the Customs Union was also associated with the entry into force of the Treaty on the Customs Code of the Customs Union. The Customs Code came into force, and the single customs territory of the Customs Union was formed for the Republic of Kazakhstan and the Russian Federation from July 1, 2021, and for the three member states of the Customs Union - from July 6, 2021.

as well as the formation and maintenance of the Unified Register of Certification Bodies and Testing Laboratories (Centers) of the Customs Union. As part of the development and application of information technologies in the Customs Union, two fundamental agreements were adopted: the Agreement on the Creation, Operation and Development of the Integrated Information System for Foreign and Mutual Trade of the Customs Union and the Agreement on the Application of Information Technologies in the Exchange of Electronic Documents in Foreign and Mutual Trade in the Common Customs Territory CU, as well as approved the Concept for the creation of an Integrated Information System for Foreign and Mutual Trade of the Customs Union.

In addition, from July 1, 2021, the Customs Union Agreement on Sanitary Measures, as well as the Customs Union Agreement on Veterinary and Sanitary Measures and the Customs Union Agreement on Plant Quarantine dated December 11, 2019, came into force, in connection with which, the Commission of the Customs Union were given the appropriate powers.

In order to develop interstate cooperation in criminal cases and cases of administrative offenses, on July 5, 2021, the heads of state signed an Agreement on the Peculiarities of Criminal and Administrative Liability for Violations of the Customs Legislation of the Customs Union and the Member States of the Customs Union and an Agreement on Legal Assistance and Cooperation between the Customs Union in criminal cases and cases of administrative offenses. In accordance with these international treaties, the features of bringing to criminal and administrative responsibility persons who have



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committed offenses in the territory of the Customs Union are determined. Also established bodies authorized to carry out proceedings in criminal cases and cases of administrative offenses.

To date, the Action Plan for the Formation of the Customs Union has been largely implemented. The successful work of specialists in the formation of the legal framework of the CU and the CES was noted by the heads of state. The next stage of the joint work of the experts of the parties is to codify the adopted international treaties and decisions of the CU bodies in order to eliminate conflicts and gaps, as well as to prepare a single international treaty, on the basis of which it is planned to create the Eurasian Economic Union by 2025. Work on codification will include, among other things, agreements on:

- balanced macroeconomic, budgetary and competitive policy;
- structural reforms of labor markets, capitals, goods and services;
- creation of Eurasian networks in the field of energy, transport and telecommunications.

Any production of shoes or other goods must begin with a sales plan, which is developed by the sales (marketing) department. This financial forecast should include the planned sales volumes for the period, the planned selling price and the planned profit for this type of product.

For the mathematical model, such a type of product as children's shoes was chosen. In the Southern and North Caucasian federal districts, there is no production of this type of product, and, consequently, all products are imported. Establishing production in our region is considered cost-effective and expedient.

But in industrial production, it is necessary to know the point in time when it is necessary to stop producing a given shoe model and switch to a new model or produce another model in large volumes (product diversification). For this purpose, you can use such an indicator as price elasticity. It shows the percentage change in sales as a result of a 1% price change and can be compared across different brands. The price elasticity related to the sales function considered here has the following properties:

- its absolute value increases as the positive or negative values of deviation from competitors' prices increase;
- the sales function under consideration does not prescribe an unambiguous dynamics of price elasticity over time (it can increase, decrease or remain unchanged);
- since the influence of absolute prices is not significant, that is, price changes do not lead to a decrease in primary demand, but to a change in market share, direct price elasticity and cross price elasticity (percentage change in sales with a one percent change in competitors' prices) coincide in magnitude and distinguish they are not needed.

At the first stage of building the model, we will predict the ideal scheme for the sale of children's shoes by the manufacturer through the store. The company incurs additional costs for hiring staff and renting a trading pavilion. The amount of additional costs may vary and depend on market conditions. We summarize the initial data of the ideal model in a table.

Forecast of sales volume for 1 month (25 working days) (table 4).

The volume of sales increases by 5 pairs per day. The company will start making a profit on the 10th day of sales, when the daily sales volume reaches 65 pairs of shoes. Up to this point, the company must sell 360 pairs. If the additional costs of the enterprise grow, then the break-even point will move to the right, therefore, the enterprise will receive a smaller amount of profit (on the graph, the profit is shown as a shaded triangle).

Table 4. Initial data

Indicator, rub.:	Sum
variable costs	302.95
fixed costs	5598.13
Selling price	395
Units sold	2000
Sales volume at the point of sale	5000
Salesperson's salary	5000
Number of sellers	2
Sales area, sq. m	100
Rent for1 sq. m	100

Let's build a break-even chart based on table 4. Using the break-even chart in this form, we must keep in mind the following:

1. Calculation of break-even conditions and construction of break-even charts are just tools for

analyzing price decisions, but not an apparatus for predicting future commercial results;

2. The break-even chart, as shown in Figure 1, is built on the basis of the possibility of a linear increase in production (sales) volumes without any seasonality.



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GIF (Australia)	= 0.564	ESJI (KZ)	= 8.771	IBI (India)	= 4.260
JIF	= 1.500	SJIF (Moroco	(co) = 7.184	OAJI (USA)	= 0.350

Meanwhile, for many types of goods, ignoring seasonality is unlawful. For example, for production, where costs are incurred mainly at the beginning of a long production cycle, and the sale of finished products is only after its completion (this is how, say, a shoe company can work, preparing the entire batch of products for wholesale sales to trading companies on the eve of the new season).

Analyzing the conditions for achieving breakeven, we must not forget that this is just an intermediate finish on the way to the main goal - achieving the highest profitability of sales. When calculating the conditions for achieving break-even or building the corresponding schedules, it is important to correctly set data on the degree of use of production capacities and the conditions for the sale of goods. Let's say the above graph was built for the conditions of full, one hundred percent use of production capacities and full sale of all manufactured products, that is, it characterized the result of the enterprise at all maxima: output, sales, revenue.

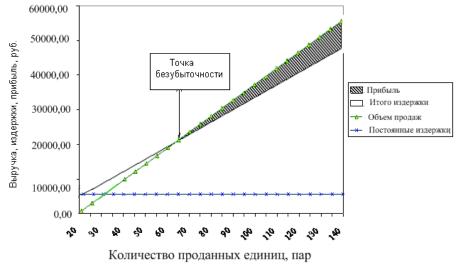


Figure 1- Break-even chart (for children's shoes)

In practice, it is simply dangerous to adhere to such an overly optimistic approach, and all conditions must be adjusted downward. So the use of production capacity should be taken at the level of 75-80%. It

should be taken into account in the calculations and the possibility of settling of part of the manufactured products in stocks due to the slow implementation process.

Table 5. Sales volume of children's shoes

Number	Qty. . Steam	Volume of sales	Fast. Costs	Variable Costs	Total costs	Profit	Add. Cost
1	20	7820.00	5598.13	6059	11657.13	3837.13	80
2	25	9775.00	5598.13	7573.75	13171.88	3396.88	100
3	30	11730.00	5598.13	9088.5	14686.63	2956.63	120
4	35	13685.00	5598.13	10603.25	16201.38	2516.38	140
5	40	15640.00	5598.13	12118	17716.13	2076.13	160
6	45	17595.00	5598.13	13632.75	19230.88	1635.88	180
7	50	19550.00	5598.13	15147.5	20745.63	1195.63	200
8	55	21505.00	5598.13	16662.25	22260.38	755.38	220
9	60	23460.00	5598.13	18177	23775.13	315.13	240
10	65	25415.00	5598.13	19691.75	25289.88	125.12	260
11	70	27370.00	5598.13	21206.5	26804.63	565.37	280



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12	75	29325.00	5598.13	22721.25	28319.38	1005.62	300
13	80	31280.00	5598.13	24236	29834.13	1445.87	320
14	85	33235.00	5598.13	25750.75	31348.88	1886.12	340
15	90	35190.00	5598.13	27265.5	32863.63	2326.37	360
16	95	37145.00	5598.13	28780.25	34378.38	2766.62	380
17	100	39100.00	5598.13	30295	35893.13	3206.87	400
18	105	41055.00	5598.13	31809.75	37407.88	3647.12	420
19	110	43010.00	5598.13	33324.5	38922.63	4087.37	440
20	115	44965.00	5598.13	34839.25	40437.38	4527.62	460
21	120	46920.00	5598.13	36354	41952.13	4967.87	480
22	125	48875.00	5598.13	37868.75	43466.88	5408.12	500
23	130	50830.00	5598.13	39383.5	44981.63	5848.37	20
24	135	52785.00	5598.13	40898.25	46496.38	6288.62	40
25	140	54740.00	5598.13	42413	48011.13	6728.87	60
Σ	2000	782000	5598.13	605900	745853.25	36146.75	8000

Downward adjustments are also desirable in order to take into account possible disruptions in the process of production, transportation or organization of sales of goods. Let's take the built ideal model for the forecast presented by the marketers of the enterprise. Let's see how the amount of profit will change depending on the influence of seasonality.

The volume of footwear sales grows disproportionately (faster) than in the model

considered earlier (Table 6). With an increased growth in sales, by the end of the month the company will have to produce about 4,000 pairs of children's shoes of this model, but the production program is designed for 2,000 pairs. To reach a new level of production and sales, investments are needed in the purchase of additional equipment and the construction of a new workshop.

Table 6. Sales growth

Day	Qty. even couples.,	price, rub.	Pair sales volume	Additional . costs	Permanent. Costs, ruble	Variables. Costs, ruble	Total costs	Profit ruble
1	20	395	7820	80	5598.13	6059	11657.13	-3837.13
2	25	395	9775	100	5598.13	7573.75	13171.88	-3396.88
3	30	395	11730	20	5598.13	9088.5	14686.63	-2956.63
4	5	395	13685	140	5598.13	10603.25	16201.38	-2516.38
5	40	95	15640	160	5598.13	12118	17716.13	-2076.13
6	46	95	17986	184	5598.13	13935.7	19533.83	1547.83
7	53	395	20723	212	5598.13	16056.35	21654.48	-931.48
8	61	395	23851	244	5598.13	18479.95	24078.08	-227.08
9	71	395	27761	284	5598.13	21509.45	27107.58	653.42

Therefore, the management of the enterprise should consider increasing the price by 10% instead of increasing the scale of production in order to reduce the amount of demand to the level provided by the current capacities of the enterprise. Naturally, in this case, the company's management hopes to gain profit

through sales at prices with a higher unit gain (sales price minus variable costs). As it is easy to calculate, it will increase accordingly by 39.5 rubles, that is, it reaches the value of 131.55 rubles or 30.28% of the new price. It is required to check the conditions for the successful implementation of such a policy.



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JIF	= 1.500	SJIF (Moroco	(co) = 7.184	OAJI (USA)	= 0.350

First, we determine the extent of the break-even reduction in sales after the price increase. The relative break-even change in sales will be (%):

$$BSCp = \Delta P/(CM + \Delta P) *100 = -39.5/(92.05 + 39.5) *100 = -30$$
 (2)

where BSCp break-even increase in sales as a result of price changes, %;

 ΔP – price change; CM - specific gain.

Determining the break-even change in sales in absolute terms, in this case we take as a starting point not the already achieved, but the expected sales volume (after all, it is its achievement that we want to prevent). Then the break-even change in sales is (pairs):

$$BSCa = 4000 * (-0.3) = 1200$$
 (3)

Thus, if after an increase in the price of shoes, the volume of its sales is reduced by less than 1200 pairs, then the company will receive a larger profit than before. If the sales volume falls by more than 1200 pairs, then the company will face a reduction in

sales profits (the price effect will be less than the volume effect). We must also take into account the benefit of avoiding fixed cost increases. According to the engineering service of the enterprise, the purchase of equipment that would allow the enterprise to produce up to 4,000 pairs of shoes per month would require expenses in the amount of 100,000 rubles. Therefore, given the averted need to incur such costs, the company will not lose if the price increases even if its sales are reduced by even more than 30%, namely 30% plus the break-even reduction in sales, which nullifies the company's gain from the prevented increase in fixed costs. The calculation of such a complex break-even reduction in sales (in which we show the amount of costs for equipment not purchased, respectively, with a minus sign) gives us the following result:

$$BSCp = -30 + (-100000)/(131,55 * 4000) * 100 = -30 - 19 = -49\%$$

 $BSCa = -0.49 * 4000 = -1960$ pairs of shoes (4)

To make the economic boundaries of the decision to reduce the price more obvious to us, we summarize them in Table 7.

Let's pay attention, first of all, to options 3, 6 and 8. Option 3 corresponds to a situation where a decline in sales after an increase in prices allows the company to produce the same volume of products, that is, investing in additional equipment is unnecessary. From this point on, the company begins to receive additional profit by saving on semi-fixed costs. Therefore, from this level of sales reduction in column G, the value of the cost of purchasing equipment equal to 100,000 rubles appears. Since these are saved costs, we show them with a minus sign. Option 6 corresponds to the situation when the price effect and

the scale effect balance each other and the gain gain becomes zero. In other words, the increase in winnings after the price increase (39.5 rubles), multiplied by the entire volume of possible future sales (4000 pairs), turns out to be equal to the reduction in the gain, defined as the product of the new absolute value of the gain (131.55 rubles) by the reduction in sales compared to the possible future level (1200 = 40000.3). But since the enterprise also saves semi-fixed costs, in fact, at this moment, its change in profit has not yet become zero. She still receives an increase in profit in the amount of the amount of saved fixed costs (100,000 rubles).



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Table 7. Determination of break-even volume of sales when the price increases

	Scales Possible reduction in sales volumes		Change in the total value of the company's gain from sales, rub.				
=Options	%	couples (4000* %)/100	Increase in the calculation of the possible future sales volume (39.5 * 4000)	Decrease per reduction in sales (131.55*B)	TOTAL (Y+D)	Gain prevented conditionally fixed costs, rub.	Change total profit after price changes (E-W)
BUT	В	AT	G	D	Е	AND	W
1	0	0	158000	0	58000	0	158000
2	ten	400	158000	-52620	105380	0	105380
3	fifteen	600	158000	-78930	79070	0	79070
4	twenty	800	158000	-105240	52760	-100000	152760
5	25	1000	158000	-131550	26450	-100000	126450
6	thirty	1201	158000	-158000	0	-100000	100000
7	40	1600	158000	-210480	-52480	-100000	47520
6	49	1961	158000	-258000	-100000	-100000	0
9	fifty	2000	158000	-263100	-105100	-100000	-5100
10	60	2400	158000	-315720	-157720	-100000	-57720

And only in option 8 the increase in profits of the enterprise really becomes zero. Only with such a drop in sales volumes - by 1961 pairs against a possible future level of 4000 pairs - does the volume effect fully balance both the price effect and the savings in

fixed costs. So, if a price increase of 10% causes a drop in the number of sales by 50% or more, then the company needs to look for another option for pricing.

This can be seen even more clearly in Figure 2.

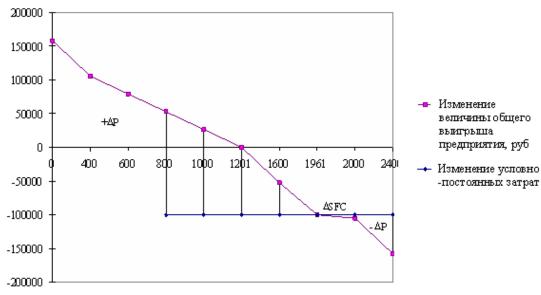


Figure 2. Economic consequences of price increase and avoidance of investment in capacity expansion: $+\Delta P$, $-\Delta P$ -respectively, the increase and decrease in the profit of the enterprise; ΔSFC -change in semi-fixed costs.



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As we can see, with a reduction in sales in the range of 0-800 pairs, the company receives additional profit ($+\Delta P$) due to the fact that for each unit sold he receives a larger gain than at the previous price, and its amount exceeds the loss of gain as a result of reduced sales. When the reduction in sales reaches 800 pairs, the situation changes: the profit growth of the enterprise begins to be affected by savings on unrealized fixed costs. Therefore, the break-even point actually shifts from the position of 1201 pairs to the position of 1961 pairs of sales reduction. At this point, the losses due to the volume effect cancel out all the gains from the price effect and avoiding the growth of semi-fixed costs.

If, however, the drop in sales exceeds this limit, then the company will begin to incur direct losses (- ΔP).

As a result of the price increase of 10%, sales of children's shoes increased by 15% from the previously planned sales of 2,000 pairs to 2,300 units. Since the company had a reserve of production capacity, it was able to increase production without additional semi-fixed costs.

Now consider a situation where the company is forced to reduce the price of shoes, as well as incur additional semi-fixed costs.

First, consider the option when the demand for shoes has an elasticity equal to one, and therefore the sales volume increases exactly by as many percent as the price decreases by percent (Table 8).

Table 8. Conditions for the enterprise to break even with a price reduction of 5%

Indicators of shapes	Meaning	
Indicators of change business conditions	Initial	After
business conditions	Illitiai	price reduction
Price for a pair, rub.	434.5	412.8
Price change, %	-	5%
Specific gain of the company, rub.	131.55	109.8
Win, % of the price	30.28%	26.61%
Break-even change in sales volume, %	-	19.8%
Break-even change in sales volume, pairs	-	455
Total sales, pairs	2300	2755
The total gain of the company, rub.	302565	302565

The break-even change in sales volume is equal

to:

$$BSCp = -(-21.7)/(131.55 + (-21.7) *100 = 18.9\%$$
 (5)

Thus, a price reduction of 5% will pay off for the company only if the number of pairs of shoes sold increases by 18.9% or 455 pairs.

Let's simulate several scenarios for the development of events, laying in them different levels of elasticity of demand - both less and more than one (Table 8). This will help us analyze the financial implications for the business of the combined decision to lower the price and purchase additional equipment to increase shoe production to meet the increase in demand after the price reduction.

To make the logic of its construction more understandable, let's consider option 3 as an example, in which the increase in the number of pairs of shoes sold (after a 5% price reduction for all the analyzed options) will be 15%. Without calculations, we would estimate such an elastic change in demand as a very favorable scenario. But we'll do the math.

So, a 15% increase in the number of sales will mean that the company will be able to sell 345 more pairs of shoes per month, that is, the number of sales will increase to 2645 pairs. But since they will now be sold at 21.7 rubles. cheaper (not at 434.5 rubles, but

only at 412.8 rubles), then, based on the previous sales volume (2300), the loss of the enterprise (price effect) will be -49967.5 rubles. Obviously, this value is the same for all considered options.

But an increase in sales will bring the company an increase in profits. Since variable costs are not affected by price changes in any way and remain at the same level - 302.95 rubles, the new value of the specific gain after the price reduction will be 109.8 rubles. (412.8-302.95). Multiplying it by the increase in the number of pairs of shoes sold, we get an increase in the profit of the enterprise (volume effect). It for this option will be 37889.63 rubles. (109.8345).

The total resulting change in the amount of the enterprise's gain under the influence of the price effect and the effect of scale will be -12077.9 rubles.

(-49967.5 + 37889.63).

Since the enterprise could not provide such an increase in output on the existing equipment fleet, it acquired additional equipment, which led to an increase in the amount of its fixed costs per month by 10,000 rubles. This, accordingly, leads to an even



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greater reduction in the value of his winnings. It for this option will be -22077.88 rubles.

Therefore, this option, despite a 15% increase in the number of pairs of shoes sold, will be unsuccessful for the enterprise. His monthly winnings will be reduced by -22077.88 rubles.

The company will be able to receive an increase in the gain only if the increase in the number of sales is more than 23.7%.

But let's pay attention to option 7, where we simulated the most favorable development of the situation - an increase in the number of sales by 40%, or by 920 pairs of shoes. Such an increase in volume

by the enterprise can be achieved with additional fixed costs in the amount of 20,000 rubles. But the gain in this case will turn out to be the largest of all the options considered, which will be ensured by an extremely large value of the volume effect - it will bring the company an increase in gain in the amount of 31,071.5 rubles.

Let's go back to our sales forecast. As a result of a price reduction of 5%, sales increased by 39.1% and amounted to 3,200 pairs of shoes per month. The company was also forced to purchase additional equipment (10,000 rubles) in order to increase sales.

Table 9. Modeling the financial impact of lowering the price and purchasing additional equipment

		of sold	•	tal value of the ente from sales, rub.			
Options	The scale of the possible changes in sales volumes, %	The increase in the number ogoods, steam, 2300*B/100	Reduction in calculation to the previous volume sales (21.7*2300)	Increase in calculation for sales growth (109.8*V)	TOTAL (Y+D)	incremental fixed costs per month, rub.	Change in total profit after price change, rub. (HEDGEHOG)
BUT	В	AT	G	D	Е	AND	W
1	0	0	-49967.5	0	-49967.5	0	-49967.5
2	10	230	-49967.5	25259.75	-24707.8	10000	-34707.75
3	15	345	-49967.5	37889.63	-12077.9	10000	-22077.88
4	19.8	455	-49967.5	49967.5	0	10000	-10000
5	23.7	546	-49967.5	59967.5	10000	10000	0
6	30	690	-49967.5	75779.25	25811.75	10000	15811.75
7	40	920	-49967.5	101039	51071.5	20000	31071.5

Consider another situation where the variable costs of a product (a pair of shoes) change. Let's turn to the above BSCp formula. To do this, we need to simply subtract the change in variable costs from the price change before calculating the break-even sales change (%). Let us also pay attention to the fact that,

in contrast to the calculation that we carried out for an isolated price change, in this case the values used for the calculation must necessarily be expressed in absolute monetary units (in rubles or another currency). And then the equation will take the following form:

$$BSCp = -(\Delta P - \Delta VC)/(CM_0 + (\Delta P - \Delta VC))*100$$
 (6)

where BSCp – the value of the break-even increase in sales. %:

 ΔP – price change;

 ${\it CM}_0$ - the former absolute value of the specific gain;

 ΔVC - change in the value of variable costs.

Returning to the problems of our enterprise, we use this formula to calculate the break-even increase in sales it needs. Suppose changes in variable costs amounted to 15 rubles. Therefore, the change in the specific gain for her will be equal to:

$$\Delta CM = (\Delta P - \Delta CV) = -21.7 - (-15) = -6.7$$
 (7)



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Since we previously established that the specific gain before the price change was 131.55 rubles, now

nothing prevents us from calculating the break-even change in sales volume.

$$BSCp = -(-6.7)/(131.55 + (-6.7)) *100 = 4.85\%$$
 (8)

In physical terms, this will be respectively: 23000.0485 = 111 pairs

Now let's turn to the analysis of the impact on the break-even increase in sales of possible changes in fixed costs. The formula for calculating this effect is as follows:

$$BSV = \Delta FC / CM_a$$
, (9)

where BSV – break-even sales volume, nat. units;

 ΔFC - increase in the amount of fixed costs, rub.;

 CM_a – specific absolute gain, rub. Since we remember that unit gain is equal to price minus variable costs, we can easily find for this example that the break-even increase in sales volume required to compensate for such an increase in fixed costs is equal to:

BSV = 10,000 rubles / (412.8 rubles / pair - 302.95 rubles / pair) = 91 pairs

Now the managers of the enterprise will be able to make a decision, which will depend on the following conditions:

- How likely is it, given the current market situation, to be able to sell the required volume of products every month?

- How great is the danger that the volume of sales will be less and the company will begin to incur losses?
- Is it possible to abandon the chosen pricing strategy and how quickly can this be done?

These are the questions that marketers need to address.

Let's look at the model again. On the 60th day of shoe sales, the price effect ceases and sales begin to decline. The company again decides to reduce the price of products, but demand is less and less responsive to such a change. Here, the enterprise must increase sales through marketing campaigns, brand development, retail merchandising, etc. These activities will increase the maturity stage of the footwear life cycle and generate additional profit.

But when the demand for shoes stops responding to price changes and other non-price factors, the company needs to stop producing this model. At this moment, the elasticity of demand will begin to increase and the maturity stage will move into the decline stage (Figure 10). stages of maturity and from 73 to 100 days at the stage of decline.

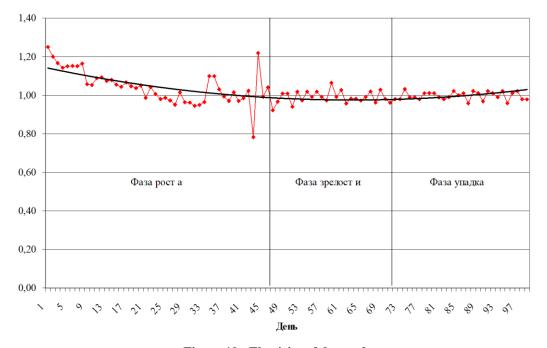


Figure 10 - Elasticity of demand

Let's analyze the change in profits during the life cycle of shoes (Figure 11).





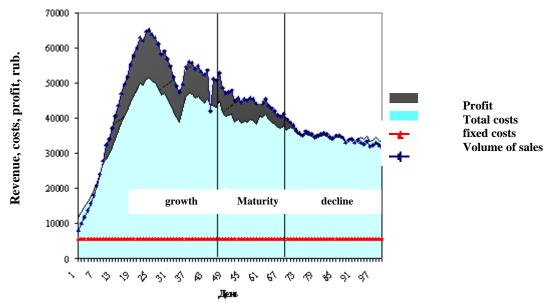


Figure 11- Sales of shoes during the life cycle of shoes

As can be seen from Figure 11, the enterprise received a maximum of profit at the stage of growth and a minimum at the stage of decline.

Let's compare the obtained results with the profitability of 1 pair of shoes throughout the life cycle of a model of children's shoes (Figure 12).

At the stage of growth, the profitability of 1 unit (pair) reaches its maximum value (about 20%), at the stage of maturity it decreases to 15%, and by the stage of decline it reaches its minimum values.

Let's compare the elasticity of demand and the daily sales volume divided by the average sales volume for the period (Figure 13).

The average sales volume for the life cycle was 105 pairs. The maximum excess over the average level is observed at the growth stage. Slightly above

average at maturity and below average at decline. At the stage of maturity, the enterprise had to apply one of the above recommendations to increase sales in order not to receive losses in the future.

Let's add to the graph shown in Figure 7 the break-even sales volume per each day of the life cycle of a shoe brand.

The break-even sales chart intersects with the average sales chart at the stage of transition from the maturity stage to the decline stage. Thus, when the following facts occur in an enterprise for a separate category (model) of products:

The elasticity of demand increases;

The profitability of 1 unit of production is reduced;

Decreasing sales volume



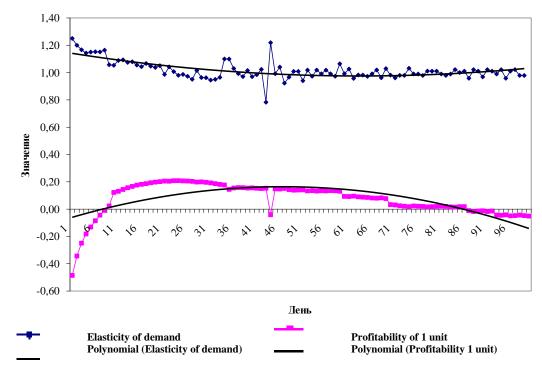


Figure 13 - Elasticity of demand and profitability of 1 pair of shoes, depending on the stage of the life cycle

The sales volume is approaching the break-even sales volume, the company needs to stop producing

this shoe model or upgrade it, that is, to give additional properties necessary for consumers.

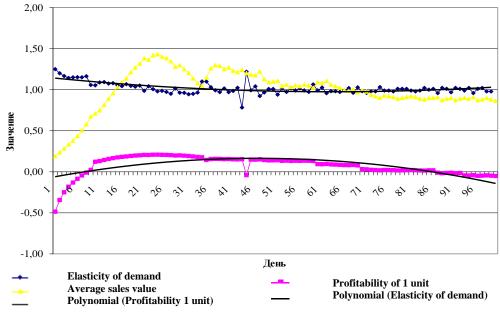


Figure 14 - Daily sales volume divided by average sales volume

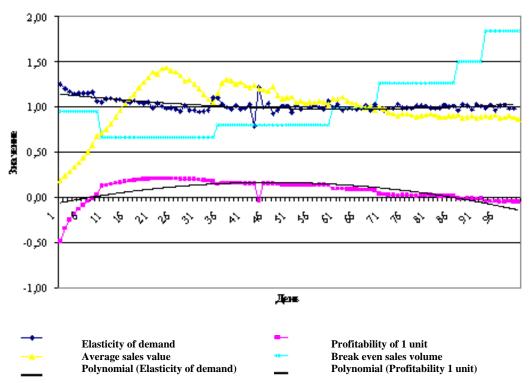


Figure 15 - Break-even sales volume

The company needs to stop the production of shoes of this model in the interval between the 60th and 70th day of sales. Further production will bring losses, as the demand for this model becomes inelastic.

Thus, the activity of the enterprise should be subordinated to the tasks of fulfilling orders. All footwear manufactured by production must be "targeted", that is, included in specific kazy and have specific buyers.

In implementing such a policy, it is necessary that: The sales company was fully responsible for concluding sales contracts the shoes that were approved for a year, for determining the production volumes for each article, for the correctness of the formed order for production and Sales of manufactured shoes in the scope of the order; production should be responsible for the fulfillment of the order and the quality of the shoes produced; supply - for the supply of allrequired materials to perform order.

In addition, the sales department needs to: draw up and keep records of contracts with customers; form a general order for production for the manufacture of shoes for certain planning periods (for example, a year, half a year, a quarter, a month) in the context of "article - number of pairs" indicating specific ny sizes; "order - article - grade - size - number of pairs", for packing shoes in boxes in the context of "order - type of box - article - size - number of pairs", for shipment of shoes to customers and the availability of shoes in

warehouses in a detailed section; ensure control of orders in terms of timing and assortment.

Consequently, the assortment policy to ensure the sustainable position of the enterprise will fulfill its mission only if all the services that provide this very policy are interested in them wanting to have a stable financial condition - this will be a guarantee in obtaining stable TEP and the opportunity to feel confident in domestic markets of unstable demand. The transition to a market economy in Russia has posed a number of problems for light industry enterprises, the main of which are adaptation to unusual conditions for them of increasing competition, a reduction in the sales market due to high prices for manufactured products and the problem of non-payments, the difficulty of finding suppliers of raw materials, materials, and limited financial resources, while modern production to ensure the survival of the enterprise must have a number of special qualities: great flexibility, the ability to quickly change the range.

Production, unable to readjust, adapt to the demands of real conditions, often small groups of consumers, is doomed to bankruptcy; technology becomes so complicated that it requires the introduction of new forms of control, organization and distribution of labor. The current planning based on the principle "from what has been achieved" is unacceptable, since a sharp increase in the competitiveness of products is necessary; the structure of the cost of production changes, while due to difficulties with suppliers of raw materials, materials,



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the share of material costs associated with the sale increases; a big problem is to increase the efficiency of the enterprise marketing products. Particular attention should be paid to accelerating the turnover of working capital, reducing excess stocks, and selling products as quickly as possible.

To assess the effectiveness of the production activities of a shoe enterprise, it is necessary to analyze the annual results of the enterprise's work on the production of men's and women's footwear assortment.

Table 10 shows the results of the shoe company for the production of a summer range of shoes.

Table 10. Generalized results of the work of a shoe enterprise for the production of a summer assortment of shoes

Indicators	The va	lue of the indicator	for different sales vo	lumes per month, %
	100	80	60	40
Sales volume, pairs	28168	22534	16901	11266
Sales proceeds, thousand rubles	24033.9	19226.86	14420.58	11266
Unit cost of production, rub.	726.7	726.7	726.7	726.7
Full cost, thousand rubles	20373.34	17265.01	14156.57	11047.32
Including raw materials and basic materials, thousand rubles.	12628.89	10102.96	7577.45	4402.8
Profit from sales, thousand rubles	3660.56	1961.85	264.01	-1434.8
Income tax, thousand rubles	732.112	392.37	52.802	-
Net profit, thousand rubles	2928.448	1569.48	211.208	-
Product profitability, %	15.2	10.2	1.8	-

From the analysis of table 10, it can be seen that in the event of a decline in sales and sales of shoes, less than 60% of the production volume brings losses to the enterprise.

Table 11 shows the results of the shoe enterprise for the production of the autumn assortment of shoes.

Table 11. Generalized results of the work of a shoe enterprise for the production of an autumn assortment of shoes

Indicators	The value of the indicator for different sales volumes per month, %					
	100	80	60	40		
Sales volume, pairs	25358	20286.4	15214.8	10143.2		
Sales proceeds, thousand rubles	30640.47	24512.37	18.384	12256.19		
Unit cost of production, rub.	1024.58	1024.58	1024.58	1024.58		
Full cost, thousand rubles	25747.78	21683.33	17618.45	13554.44		
Including raw materials and basic materials, thousand rubles.	17105.57	13661.88	10263.34	6842.22		
Profit from sales, thousand rubles	4892.69	2829.04	765.82	-1298.25		
Income tax, thousand rubles	978.5	565.8	153.16	-		
Net profit, thousand rubles	3914.19	2263.23	612.66	-		
Product profitability, %	15.9	11.5	4.2	-		



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Table 12. Generalized results of the work of a shoe enterprise for the production of winter footwear assortment

Indicators	The value of the indicator for different sales volumes per month, %					
	100	80	60	40		
Sales volume, pairs	26114	20891	15668	10445		
Sales proceeds, thousand rubles	45032.84	36025.56	27019.46	18012.69		
Unit cost of production, rub.	1435.54	1435.54	1435.54	1435.54		
Full cost, thousand rubles	37487.78	31183.45	24878.18	18573.85		
Including raw materials and basic materials, thousand rubles.	28072.03	22457.8	16842.75	11228.5		
Profit from sales, thousand rubles	7545.06	4842.11	2141.28	-561.16		
Income tax, thousand rubles	1509	968.42	428.26	-		
Net profit, thousand rubles	6036	3873.69	1713	-		
Product profitability, %	16.8	13.4	7.9	-		

Table 13. Generalized results of the work of a shoe enterprise for the production of a spring assortment of shoes

Indicators	The value of the indicator for different sales volumes per month, %				
	100	80	60		
Sales volume, pairs	29661	23728.8	17796.6		
Sales proceeds, thousand rubles	31026.82	24821.45	18616.09		
Unit cost of production, rub.	890.2	890.2	890.2		
Full cost, thousand rubles	26405.04	21576.03	18400.86		
Including raw materials and basic materials, thousand rubles.	17648.54	14118.8	10589.1		
Profit from sales, thousand rubles	4621.78	3245.42	215.23		
Income tax, thousand rubles	924.36	649.1	43		
Net profit, thousand rubles	3697.4	2596.3	172.23		
Product profitability, %	14.9	13	1.1		

These calculations (tables 10-13) indicate that with 100% sales of men's and women's shoes in the specified period of time, not only the costs of production and sales of products are covered, but there is also a profit in the amount of 3697.4 thousand rubles. This testifies to the correct marketing and assortment policy. Product profitability is 14.9%.

In market conditions of management, effective management requires a rational organization of marketing activities, which largely determines the level of use of the means of production at the enterprise, the growth of labor productivity, the reduction of production costs, the increase in profits and profitability. This is due to the fact that marketing activity is not only the sale of finished shoes, but also the orientation of production to meet the effective demand of buyers and active work in the market to maintain and form demand for the company's products, and the organization of effective channels for the distribution and promotion of goods.

In a dynamically changing market environment, the performance of an enterprise, including a shoe one, largely depends on the effective results of the production, sales, financial and marketing policies of the enterprise itself, which creates the basis for bankruptcy protection and a stable position in the domestic market.

Conclusion

Thus, shoe enterprises should be oriented as external (consumer enterprises, competition, market conditions, etc.). and on internal factors, such as sales volume, profitability, coverage of basic costs, etc. However, it is impossible to take into account and foresee all the situations that may arise when selling shoes, i. some shoe models are not in demand at a certain stage. In this case, another, usually not advertised, side of marketing should appear: if shoes, without taking into account market requirements, have already been produced, then they must be sold. For this purpose, in order to respond to lower prices of competitors, it is necessary to reduce too large stocks, get rid of damaged, defective shoes, liquidate leftovers, attract a large number of consumers, stimulate the consumption of shoes, using discounts. There are about twenty types of discounts,



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but for shoes the most common are those types of discounts that are used at various levels of the enterprise, sales organizations, and trade. In addition to using discounts, an enterprise can go for an initiative price reduction in case of underutilization of production capacities, a reduction in market share under the pressure of competition from competing enterprises, etc. In this case, the enterprise takes care of its costs, developing measures to reduce them by improving equipment and technology, introducing new types of materials into production, and constantly improving the quality of products. And all this requires large financial costs from enterprises, but, nevertheless, helps to increase the competitiveness of certain types of leather products and the enterprise as a whole. in addition, the greater the number of footwear products produced, the more production costs are reduced, which leads to lower prices, and most importantly, creates such conditions for the functioning of the market that would not allow other competing enterprises to enter it and would cause a positive reaction from consumers.

With the transition to a new economy, improving the quality and competitiveness of leather products has become a strategic task for all leather and footwear enterprises in the country and the regions of the two districts as a whole, it becomes necessary to take into account the laws and requirements of the market when working, master a new type of economic behavior, adapt all aspects of their activities to changing situation, changes in consumer demand should be taken into account with defending the interests of consumers before the industry. The fulfillment of these tasks is possible only on the basis of an in-depth study by manufacturers of domestic footwear products, the needs of individual groups (consumer segments), methods for examining the quality and competitiveness of footwear. The current situation in the shoe industry of the Southern Federal District and the North Caucasus Federal District is not least the result of the inability of many managers of shoe enterprises in the Southern Federal District and the North Caucasian Federal District to quickly adapt to the new requirements put forward by the market, to the competition that has arisen from Russian and foreign manufacturers. Therefore, the current situation provokes the development of a development strategy for the production of competitive leather goods in the Southern Federal District and the North Caucasus Federal District.

Of great importance in the management of output is the assessment of the actual output and sales within the limits of production capacity, i.e. within the boundaries of the "minimum - maximum" volume of production. Comparison with a minimum, break-even volume allows you to determine the degree, or zone, of the "security" of the organization and, with a negative value of "security", remove certain types of products from production, change production

conditions and thereby reduce costs or stop production.

Comparison of the achieved volume of output with the maximum volume determined by the production potential of the organization, allows you to assess the possibility of increasing profits with an increase in production volumes, if demand or market share of the organization increases.

For a shoe company seeking a strong market position, pricing is key to the success of the chosen strategy. The price is a tool to stimulate demand and at the same time is the main factor in long-term profitability. Getting the maximum profit is possible with the optimal combination of sales volume and prices for products. However, it is not possible to sell an unlimited number of units of shoes at the same price. An increase in sales leads to market saturation and a drop in effective demand for products. At some point in time, in order to sell a large number of shoes, it will be necessary to reduce the price.

When developing a pricing strategy, goals related to both profit and sales volume and competition are considered. The price determines the profitability of all activities, not only setting the level of profit, but also fixing through the volume of sales the conditions under which the payback of all costs is achieved (break-even point). The price charged for a commodity directly determines the level of demand and, consequently, the volume of sales under elastic demand. The shoe industry is a material-intensive industry, so the relative value of fixed costs in the total cost of footwear will be small, therefore, the price elasticity of demand is high. This means that a decrease in price must be accompanied by a significant increase in demand for shoes. Too high or low price can undermine the success of the product. In this regard, it is necessary to carry out a break-even analysis. The break-even point is the volume of production at the sale of which the sales proceeds cover the total costs. At this point, the revenue does not allow the company to make a profit, but there are no losses either. Consider the various ratios of sales volumes and prices for manufactured products. Price reduction occurs when a company uses a discount system to increase sales. This event leads to an increase in sales proceeds and additional profit. However, the area of income is not unlimited - when a certain volume of production is reached, its further expansion becomes economically unprofitable. At some point, the positive effect of an increase in sales is lower than the negative effect of a price reduction.

The growth in production and sales is accompanied by a constant price reduction. The minimum allowable price per unit of production, providing coverage of total costs, will correspond to the second break-even point; the maximum allowable - the first breakeven point.

Calculations show that the transition from unprofitable to profitable production takes place with



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a volume of production of women's summer shoes of 5368.4 units - this is the first break-even point, the second break-even point occurs with a volume of production and sales of 16446.1 units. On the field between two break-even points, there is an area within which the optimal ratios of volume, selling price and, accordingly, profit are achieved. The maximum profit will be received when selling products at a price of 1040 rubles, while the sales volume will be 12023 units.

For the break-even operation of the enterprise, the selling price should not be less than the cost of a pair of shoes, which in this case is 842.26 rubles. At a price of 790 rubles, the cost price does not overlap, and immediately there are losses.

When evaluating the consequences of a price decrease on a change in the break-even point, it is necessary to additionally evaluate the effect of a price decrease on an increase in sales volumes. In other words, an increase in prices may affect the decrease in sales in such a way that the additional profit per unit received as a result of the influence of the price factor will be offset by the amount of losses from the decrease in sales. Conversely, the decrease in the sum of the difference between revenue and variable costs per unit of output caused by a decrease in prices can be fully offset by the profit from selling additional volume of production at lower prices.

Thus, the calculated threshold values of production set the area of production and sales of products, within which the break-even activity of the enterprise is ensured, guaranteeing its economic security. The destruction of small and medium-sized towns, which is observed in the regions of the Southern Federal District and the North Caucasus Federal District, is also characteristic of other regions of Russia. Migration, lack of jobs, social problems provoke a deepening crisis and the federal authorities urgently need to change this attitude towards their regions, forming a new economic and geographical approach to their strategic management, highlighting three vectors of priority development for such regions, namely:

leveling (due to the redistribution of resources to equalize the living standards of the population, especially in small towns);

- stimulating (creation of conditions in regions with specific advantages of the formation of social conditions of life);

- geo-economic (ensuring security through the costly development of these regions, taking into account border and strategically important ties with other regions).

Planning belongs to the fundamental features of the history of human life, characterizes the essence of rationality in the form of consciousness. Man, in order to become homo sapiens, has gone through an evolutionary path of 2.5 million years. Our ancestors were homo habilis, homo erectus, immediate predecessors who failed to take advantage of intelligence, African homo sapiens, Neanderthals, Cro-Magnons, the Altaic form of homo sapiens, and perhaps many other forms. Reasonableness is not only the main sign of the quality of modern man, it indicates the vector of development of the species. Labor, sociality arose in the process of natural changes, so it is not surprising that once upon a time "skillful people" lived, who were replaced by "upright people" who assimilated the stable characteristics of "skillful people" is not necessary. The merit of homo sapiens is that, developing his rationality, he was able to give the development of labor the form of labor activity, and social ties the quality of social life. Labor activity has become the basis of human history, society - the form of its organization, rationality - the driving force. Being reasonable is not enough, you need to be aware of the total significance of the mind as the ability to cognize and control activity. All crises in history are the product of a crisis in the rationality of consciousness, its cognitive ability and social responsibility. The concepts of "consciousness" and "intelligence" are different. Intelligence is a sign of a species, consciousness is a sign of a social subject, which can be a person, community - marriage, family, social group, historical form of community. At the same time, consciousness and rationality differ only within the framework of their historically established

Reason is the power of our cognition, consciousness is a means of managing knowledge, it directs and limits activities in the mutual interests of social subjects and the natural conditions for the implementation of activities, therefore science is both a special form of cognition and a social means of regulating the possibilities of applying knowledge.

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Issue



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HISTORY OF CURRENT PROBLEMS IN PROTECTION OF COPYRIGHT RIGHTS IN UZBEKISTAN (Based on archival documents)

Abstract: This article discusses the problematic situations related to copyright protection processes in our country. The activities of the All-Union Department for the Protection of Copyright Rights of the SSR of Uzbekistan were analyzed on the basis of archival documents and the necessary scientific conclusions were reached. Also, the solution of existing problems in the copyright protection system and the analysis of their results are covered.

Key words: Authorship, Uzbekistan branch, commissioner, co-author, research, publishing, concert.

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Introduction

After Uzbekistan gained its independence, the provision of democratic rights in the country was defined as one of the main tasks. Based on the experience of the developed countries of the world and our historical experiences, special attention has been paid to the protection of intellectual property. First President I.A. Karimov emphasized that "the time has come to adopt a number of laws in a new spirit aimed at protecting the rights of authors and intellectuals"[1], which was important for the acceleration of the legal foundations of the industry. President Sh. M. Mirziyoev's based on decision "On measures to improve state management in the field of intellectual property", consistent measures have been taken to improve the mechanisms of introducing innovations into economic sectors in the country, to ensure its competitiveness, to create conditions aimed at the development of active entrepreneurship and innovative activities, and to ensure reliable legal protection of intellectual property is increasing [2].

Literature Review and Methodology of Research

In our country, a separate research work related to the history of copyright has not been conducted.

After our independence, a number of jurists have paid attention to the legal aspects of copyright in their scientific research. Some information about the history of copyright formation is given. Among the scientists who have passed some legal aspects of copyright protection: Boboqul Toshev, H.R. I.I.Nasriev, Rahmonkulov, R.T.Hakimov, G.A.Khudayberdieva, I.B.Zokirov and a number of other scientists citing scientific research works can pass. Boboqul Toshev wrote in his doctoral dissertation, "Copyright in the Republic Uzbekistan, like in other countries, has its own history. The honor and dignity of poets, artists, engravers, epic writers, etc., who were considered authors in ancient times, and the works they created were protected as values, and authors were encouraged" [3].

I. I. Nasriev, doctor of legal sciences, analyzed local legislation and international legal frameworks regarding the rights of the authors of works and their protection in his scientific research. C.S. Kishkin, M.A. Gelfer, V. L. Chertkov V.I. Koretsky and a number of other scientists conducted scientific research. On the basis of archival documents, the existing problems in ensuring the rights of authors and efforts to resolve them were highlighted in the article.



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Results and Discussion

In the history of our country, there are many cases where authors of works, authors of inventions, artists and authors of many other fields have received their fees even though there are no legal grounds for copyright protection. The creation of the legal basis for the protection of copyright goes back to the 30s of the last century. Along with other republics within the USSR, the Uzbek branch of the All-Union Office for the Protection of Authors' Rights was established in May 1933 [4]. During its activity, this department has protected the rights of many local and foreign authors based on existing procedures. In ensuring the rights of the authors, the interests of the authors registered with the department are mainly protected. However, as in all fields, the process of securing authors' rights was not easy, and we can see that the Uzbekistan branch faced several problems in this regard. Due to the large number of folk songs and tunes in the Uzbek SSR, it was very difficult to identify the real authors. In addition, the fact that there were a lot of people with the same surname was considered a problem in finding the authors of the work and securing its rights [5]. It is known that he worked in the branches of the Uzbekistan branch in the regions and large cities to eliminate problematic situations. According to the information in the archive documents, the number of registered authors in the first years of the establishment of the department was 47[6].

There were more authors who worked in our country than listed, but this may be due to the fact that our authors did not know enough about the legal basis of copyright protection in those times. For example, one of the authors from Andijan, Mulla Karim Akhmedov, in his letter to the head of the Uzbekistan department, A. Bobojonov, mentioned that he had not yet received the money for "Playing with love" and could not come to Tashkent due to the tasks given by the "Party". Most importantly, at the end of the letter, he also stated that he does not know the existing laws on obtaining copyright[7]. In the example of this author, we can say that many authors were not familiar with the laws and regulations of the field, and as a result, they did not fight for their rights. This may have been caused by the fact that the government and the department did not carry out timely and sufficient promotional activities.

Local representatives of the department worked actively in the process of securing authors' rights in our country. Some information about deficiencies in the payment of representatives has been preserved. For example: In the 1939 expenditure estimate, overspending in the calculations of the salaries of the Commissioners was found in the audits. It was known that 800 rubles was planned for the average salary of the commissar of Tashkent city, and he was paid 1000 or more rubles on average[8]. These cases show that the calculations were not carried out accurately both in the payment of the authors and in the process of

paying the monthly salaries to the representatives. We can see that some shortcomings were allowed by the leaders who worked in the Republic department in securing copyright due to the lack of qualified accountants. In the years of World War II, some tasks were assigned to the branches of the All-Union Department for the Protection of Copyright Rights in all the republics of the USSR, including the branch of Uzbekistan. The first task was to supply theaters at the front with literary and musical material. The second task is to ease the financial situation of families of military writers. During the temporary occupation of a number of territories by the enemy, the servants living in these lands were moved to the East. It was decided to take a part of the employees with the main documents from Moscow to Chistopol and Tashkent, and to transfer the main part of the writers to these places, and these tasks were accomplished, albeit with difficulty. In spite of such difficult years, the work of identifying the real owners of the works was carried out effectively together with members of the All-Union Department for the Protection of Copyright Rights and the republic. For example: The Board conducted an examination of works with the forces of qualified experts. In 1944, 340 examinations were conducted, and in 1945 their number reached 450. It is necessary to highlight the contribution of the Uzbekistan branch along with other republican branches in the achieved results [9]. The Uzbekistan branch did not submit reports on time, there were negative situations related to the protection of authors' rights, and as a result, three directors changed during the war [10].

According to the inspections carried out by All-Union Department for the Protection of Copyright Rights, the former director of the Uzbekistan branch, Fatchullin Z. R. and his deputy for the operative part Kolesnichenko for several years made mistakes in the protection of authors' rights in the field of Art, according to the information of archive documents. In particular, violating the procedures provided for in the "Fundamentals of copyright of the USSR" and the decision No. 44 of the Council of People's Commissars of the Uzbek SSR dated January 31, 1944 "On the procedure and amount of royalties for the public performance of musical, musical-dramatic and other works in the territory of the Uzbek SSR", wrongly distributed copyright among the co-authors of a number of musical works[11]. For example: coauthor-composer Yu. It is possible to mention the issue of royalties for the performances of Nadezhdin, the co-author of the music for the "Farhod and Shirin" play by Radjabiy, which took place in the regional theaters of the republic. In such cases, mostly the agreements in the contract have not been confirmed in practice. One of the many problems encountered in the effective operation of the department and in the process of securing authors' rights is the building problem. However, it was noted that the department



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was given 2 rooms from the building of the SS Writers' Union of Uzbekistan, and that the equipment for these rooms was unsuitable, so the All-Union Department for the Protection of Copyright Rights was contacted in the III quarter of 1950, and a list of equipment worth 32,000 rubles was also attached. It is mentioned that the issue of buying a separate house for the department is being considered by the Council of Ministers of the Uzbek SSR[12]. In accordance with the permission of the Union of Soviet Writers of the USSR No. 1505 dated June 22, 1950, the All-Union Copyright Protection Authority authorizes the office of the Uzbekistan branch to spend 100,000 rubles for the purchase of a house. For the purchase of housing, it is stipulated to obtain the appropriate permission from the Council of Ministers of the Uzbek SSR and to transfer the above amount to the current bank account at the same time[13]. But despite the decisions and permits, we can see that the department's problems with the building continued in the mid-1950 s.

The Uzbek branch of All-Union Department for the Protection of Copyright Rights will be transferred from the building it occupies to the library of the Soviet Union of Writers of Uzbekistan. The incident in 1954 had a negative impact on the work of the department and resulted in the department not functioning normally on the days of payment of royalties to authors. In order to solve the problem related to the building, it was agreed to solve this issue by allocating 1 additional room from the Writers' Union, if no room suitable for the Department of Copyright Protection of Uzbekistan is found among the organizations operating in Tashkent city [14]. Such situations can be said to have a negative impact on the ability to work effectively with authors.

In the letter sent to the Uzbekistan branch of All-Union Department for the Protection of Copyright Rights on March 2, 1955, it was emphasized that the collection of contributions to the Literary Fund from the royalties paid by the publishers located in the capitals of the Union republics is the least laborintensive task, and last year, the department received a reward of 1% from the collected funds of the literary fund in publishing houses. Also, All-Union Department for the Protection of Copyright Rights considers this amount of payment to be too high, and the commissioner proposed to reduce the premium received by publishing houses from the collected funds of the literary fund to 0.5%. In this regard, the Uzbekistan department reduced the salary fund of commissars for 1955 by 1500 rubles [15]. Based on the above-mentioned information, we can see that the monthly salary of the commissioner is determined by All-Union Department for the Protection of Copyright Rights. A small increase in the monthly salary of the commissar caused the reduction of the annual salary fund.

The decision of the Council of Ministers of the USSR No. 274 dated February 23, 1956 in a number of research institutes and higher educational institutions subordinated to the Ministry of Agriculture of the Uzbek SSR stipulates the registration of the completed research works by the Inventions and Discoveries Committee under the Council of Ministers of the USSR. But in 1959, 231 research topics were completed, of which only 7 topics were registered in the Committee of Inventions and Discoveries, in 1960, 279 research projects were completed, and as of May 1, 1961, none of them were registered[16]. One of the biggest problems in securing copyrights is that the reports submitted by the managers of entertainment enterprises to the Uzbek branch of All-Union Department for the Protection of Copyright Rights do not correspond to the actual works. There were a number of reasons for the discrepancies between the work done and the reports prepared. a) most of the time, the drafting of the report is entrusted to persons not directly related to the concerts, rather than the program manager. b) reports prepared on the basis of the plan and on the basis of the volume of work performed - often they are drawn up long after the implementation of the program. This certainly shows that both the composition of performers and the performed works can change at concerts. Many theaters (Samarkand, Kogan, Khorezm, Fergana, etc., as well as the Uzbek State Philharmonic and Variety) staged many works of their musical directors, leading programs and other artists 5-10 times in concerts and theater stages, violating the orders of the industry. In order to prevent such situations, in accordance with the order of the Minister of Culture of the USSR No. 7 of January 5, 1959 and No. 328 of July 13, 1962, artistic and musical directors of concert groups, presenters of concert programs, and other performers, without the permission of the higher authorities of the Ministry of Culture, are allowed to perform more than 1-2 of their works without the permission of the higher authorities of the Ministry of Culture. numbers are prohibited from being included in the repertoire[17]. Such orders served to create equal conditions for all authors in securing copyright. Publishers of all union republics pay royalties to national authors when translating their works into other languages of the peoples of the USSR, strictly observing copyright laws. In some republics, there have been cases of non-compliance with laws. For example, the works of Kazakh, Kyrgyz, Tajik and Uzbek writers are often published in translation from Turkmen publishing houses. But these publishers do not pay authors royalties. Several attempts by the Turkmenistan department to resolve this issue and restore legitimacy have also ended in vain. This situation caused reasonable objections of the authors who worked in the neighboring republics. Because, when Turkmen writers publish their works in translation, the fees paid to them are collected



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everywhere, including Kazakhstan and Kyrgyzstan, Republics Tajikistan and the Union Uzbekistan[18]. The heads of the departments of the sister republics sent the information about the publishing houses belonging to the Turkmenistan department to the All-Union Department for the Protection of Copyright Rights because they did not fulfill the decision of the USSR Council of Ministers and did not pay royalties to the authors of the sister republics for almost twelve years. circumstances led to the fact that they could not receive royalties for the works published in the publishing houses belonging to the Turkmenistan branch for many years. In securing copyrights, there have always been cases where the names of the authors of the works were not indicated on the posters and shows. Therefore, in the letter sent by All-Union Department for the Protection of Copyright Rights on April 2, 1964, it was specially emphasized that the protection of authors' copyrights is not only material, but also the right to the name [19]. This means that the representatives of the field, who worked in the system of the Uzbekistan department, tried to ensure the rights of the authors only from the material side, and the right to the name was neglected in some cases. This was certainly the cause of the rightful objection of the authors.

It can be observed that in our country, the workers of the field who worked on the protection of authors' rights are not paid enough attention. D.P. Ryasnyansky, one of the senior employees of All-Union Department for the Protection of Copyright Rights Uzbekistan department, which has been serving in the city of Samarkand and Samarkand region for almost 50 years and has ensured the collection of large amounts of funds for the benefit of authors. During his career, he made a great contribution to the involvement of local personnel in the field. After the 50th anniversary activity was not taken into account by the higher organizations, by the Uzbekistan branch of the All-Union Department for the Protection of Copyright Rights, on the occasion of the 50th anniversary of the founding of the USSR -D.P. Ryasnyanskiy was asked to issue the honorary title of "Honorary cultural worker in the Uzbek SSR" [20]. For the development of the industry, it is necessary to increase the attention to the system employees. It is possible to cite some problematic situations related to publishing houses in the protection of authors' rights. One of the local authors, G. Gulom, has a long history of creative relations with the Tashkent publishing house, but in recent years, G. Ghulam applied to the legal department of All-Union Department for the Protection of Copyright Rights about the fact that the management of Ghulam publishing house does not follow the rules adopted by publishing houses of our country in their practice [21]. As an example: the publishing-printing creative house named after Gafur Gulam will make only one copy of

the contract with the authors, and it will be left at the publishing house, and thus the second copy of the contract will not be available to the author. However, according to the specific form of the contract, it is published as two copies, but the publisher does not follow this rule[22]. Of course, in such cases, the authors faced several difficulties in getting the pen fees. In order not to return these shortcomings, on July 17, 1973, a conversation was held with the editorial staff on the topic of "Consequences of non-observance of the publication deadline by the author and the publisher" in the building of the publishing house named after G. Ghulom [23].

Based on the ideology of the period, some works were removed from the concert repertoire. For example: A., head of the Uzbekistan department of BMHHB. P. Pulatov, Director of Khorezm Regional Musical Drama Theater A. Atajanovga B. When Davletov's works "Oh how", "Kremlin" and "Kamsomol girls" were submitted for registration, he ordered to remove the above songs from the repertoire of the Khorezm regional theater, taking into account the low ideological content of the lyrics[24]. It can be seen that it is important that the works written during this period serve the Soviet ideology, and this is one of the cases that negatively affects the creativity of the authors, and there were enough problems in the issue of copyrights for works that were banned and removed from the repertoires. In the activity of the Uzbekistan branch of All-Union Department for the Protection of Copyright Rights, the activities of the trade union organization have also been established. But the majority of copyright commissioners did not enjoy union privileges. For example, V. N. Berezkina can be shown. Her son was serving in the Soviet Army and she was living alone and had to live on a salary of 85 rubles. As a result, the Department of Copyright Protection of Uzbekistan V. N. Berezkina's It was decided to allocate funds for sanatorium treatment[25]. It can be cited as a situation related to the activity of an employee engaged in the protection of copyright.

CONCLUSION

In conclusion, it can be emphasized that the establishment of the Uzbekistan branch of the All-Union Office for the Protection of Authors' Rights on the territory of our country has created the basis for the legal basis for the protection of authors' rights. In the early days, the work procedures of the Uzbekistan branch and insufficient knowledge of local authors' existing laws in the field caused a number of problematic situations related to the protection of authors' rights. During the Soviet period, there were cases where the differences in relations between the authors who worked in the republics and the authors in the center had a negative impact on the creative activity of the authors. Despite a number of negative situations mentioned above, some positive efforts



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were also made during this period in the promotion of laws related to the field and legal protection of authors.

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ANALYSIS OF METHODS OF ACCESS CONTROL MANAGEMENT SYSTEM BASED ON CONTACTLESS ID CARD READING TECHNOLOGY IN THE BANKING SECTOR

Abstract: This article analyzes the methods of the access control system based on contactless ID card reading technology and suggests methods for information security in the banking sector.

Key words: Integrated system, security, contactless reading, software, chips, electronic keys.

Language: English

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Introduction

Access control systems based on contactless ID card reading technology for banks is an extremely important and necessary part for building an effective security system. The access control system to the bank is a key element of a single integrated security system that allows automatic control of the entry and exit of staff and customers to certain areas of the bank track the location of employees ensure confidentiality of information about the status of accounts, etc.

Access Control and Management System (ACS) based on the technology of contactless ID card reading in banks, as well as any other access control systems, have different architectures, exist in a variety of configurations and serve to solve different tasks. However, regardless of the above, any bank access control system consists of the following mandatory concepts and nodes:

- Identifiers (electronic keys, chips and cards, fingerprints, vehicle registration plates, retina, etc.).
- Means of restricting access (electromagnetic locks and latches, turnstiles, gates, etc.).
 - Control devices (controllers, servers).
 - Software.

In the case of the organization of ACS in banks, the access control system solves the tasks of personnel identification to ensure the clear functioning of the hierarchy of access to certain premises, documents, software, etc.

Thus, for example, the manager will not be able to overwrite the bank's customer database on a personal digital medium, and the cashier-operator will not inadvertently delete an important financial reporting document.

And, of course, another main task of ACS in banks is the direct execution of security functions.

In most cases, in order to ensure the greatest convenience, efficiency and security, the access control system to the bank is combined with other systems aimed at receiving, processing and storing electronic information, for example, with a data processing center (data center), and, in particular, is integrated into various security subsystems, such as a fire alarm system, security alarm system, video surveillance and other intelligent systems of the facility.

In this case, the functionality of the integrated security system is the following:

- Round-the-clock video surveillance in the bank's office premises, customer premises and adjacent territories reflection of all events on video surveillance monitors in real time.
- Video recording of all events taking place with the possibility of subsequent archiving.
- Processing and frame-by-frame reproduction of recorded data according to certain criteria (data output by date, time of day, etc.) if necessary.



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- Notifying the security service about the occurrence of alarming situations, such as fire, smoke, water leakage, etc.
- Implementation of automatic operation of the personnel notification system
- Authorization of employees to implement their access to office premises.
- Accounting of working hours and employee breaks.
- Ensuring safe round-the-clock access of bank card holders to bank premises with ATMs and much more

ACS based on contactless ID card reading technology is an important factor in ensuring the security of banks and financial institutions. Identification of staff and visitors allows you to organize regulated access to office premises and workplaces, to avoid the penetration of people from the "black" list into the building. The ACS restricts access to vaults with valuables, computer terminals, servers with databases, preventing the theft of funds and confidential information. ACS for banks is developed taking into account the specifics of specific facilities based on hardware and software of its own production and allowing ensuring reliable security of banks from external and internal threats.

Biometric identification – recognition of employees by face, fingerprints, vein pattern on hands, etc. access by passes – reading personal data from a service card or electronic key, access by a one-time PIN code.

In various access zones, technical devices are used to optimally solve the problem of personification of a person. The combination of solutions helps to increase the efficiency of the throughput mode.

One of the possible scenarios for identifying a bank employee:

- Applying the card to the reader on the turnstile of the entrance group;
 - Identification via the face recognition terminal;
 - Passage to the service area;
 - Face scanning at the entrance to the office.

A variety of authentication methods for banking personnel increases the effectiveness of the control system and reduces the risk of unauthorized access.

Each bank employee has individual access to service areas and premises determined by the security service. The ACS database contains information on the access rights of all users, and the system grants access based on this data. Specialists of services and departments can pass only to the premises assigned to them. Increased security measures are observed when accessing the bank vault.

The ACS grants access according to the regulations drawn up by the security service, as a rule, only in the joint presence of two or three authorized persons.

Compliance with the hierarchy of access to the bank's premises and computer terminals allows you to

effectively counteract the intentions of intruders and avoid the negative consequences of accidental errors in the workflow. The integration of ACS with other security systems allows for an intersystem exchange of information for an adequate assessment of the danger and the issuance of the necessary control commands to the actuators.

For example, when a fire is detected by a security and fire alarm system, the ACS controller sends a command to open turnstiles and doors to ensure the safe evacuation of staff and visitors from the building of a financial institution. When the "alarm" button is pressed, the bank employee blocks all premises and exits from the building. Integration with the video surveillance system is necessary to track events in real time and view video clips in case of detection of dangerous incidents.

Unfortunately, little attention is paid to secure access to the company's infrastructure in the public field. This topic remains the domain of narrow professional communities. However, research shows that every year it faces incidents of unauthorized access to its resources. Information leaks, the failure of client services, internal systems and, as a result, the inability to provide financial services to clients, withdrawal of money from accounts.

The infrastructure of large banks is very diverse and includes up to several hundred IT systems. Some of them can be inherited, for example, as a result of mergers and acquisitions. Some resources may be owned by external companies: for example, a bank cooperates with a processing organization, and bank employees need access to the counterparty's external systems. Also, the structure of financial companies includes many different test environments of software developed by the bank itself. Access to such environments should be separated from access to the operated business environment. In fact, there are two circuits of information systems in the infrastructure of any bank:

- 1. Public access systems-e-mail, internal portal, etc.
- 2. Restricted access systems containing some specialized information, often confidential.

Users of banking information systems are internal employees of the organization, numerous interns- temporary workers, as well as a large number of outsourcers working with the bank under a contract. At the same time, auditors often come to the financial institution, which also need to be given access to the bank's internal resources to conduct an audit.

First of all, business is interested in improving the efficiency of access control processes, which needs to obtain access rights to the necessary information systems as quickly as possible in order to fulfill the assigned business tasks.

The business units themselves are the owners of various information systems (sales "own" CRM



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databases, accounting - 1C: Accounting system, lawyers - 1C: Document Management, etc.).

Accordingly, they, as owners, are interested in the operability of these systems, in their willingness to participate in coherent business processes, so they do not care who and on what grounds has access to these systems.

The second interested party is the IT department, which must provide the business with the necessary access to the requested resources in time, observing the SLA. Due to the overload of routine operations for granting access, the IT department not only does not have time to meet the deadlines for granting rights, but also absolutely cannot allocate resources for infrastructure development, drowning in the execution of the flow of requests for granting / changing access. And finally, the third interested party is the security service, which is responsible for reducing risks. To do this, it is always necessary to provide users with a minimum of sufficient access: to grant it during, cancel it in time and monitor the absence of unnecessary rights. The Information Security Service has to comply with various regulatory requirements imposed on the financial sector, some of which relate to ensuring secure access. Large banks undergo 10-15 audits per year, part of which is confirmation of ensuring secure access to information and information systems.

First of all, this is the differentiation of access by categories of resources - public and restricted access. Depending on this, some chains of access approvals can be implemented automatically, while other systems still need separate access approval by security or internal control services.

For banks, there are specific requirements of regulators, according to which new employees' access to individual systems should be provided no earlier than the first official working day. In manual mode, it is very difficult to organize work in such a way that access to all ten systems available to all newcomers is coordinated exactly by the day they go to work. And financial auditors very strictly check compliance with this requirement: it is impossible to let an employee into restricted banking systems without an official order.

When any new information system appears in the bank, it is necessary that access to it be provided to each employee in accordance with the position that the person occupies. That is, we need a role model for managing access of all employees to all bank systems, which is rare in practice. It often happens like this: The IT department is purchasing a new information system that needs to be put into operation urgently, they don't think about security - if only the system would start working faster, and then we will build a role model from this incident of unauthorized

As a rule, the owner of the resource that needs to be granted access is responsible for creating and updating the role model. After creating a model, it needs to be constantly accompanied, made changes, and kept up to date. It is extremely difficult to do this manually - there are a lot of employees, roles and powers in a large bank.

As a rule, role models in most banks are presented either in paper documents or in computer files, with which IT specialists have to constantly check with each access request. Over time, such a role model invariably becomes obsolete - new programs, new employees and departments appear, positions change, and there is no automatic revision of the role model

Currently, temporary non-standard rights are a frequent phenomenon in financial companies. There are a lot of outsourcer employees in banks and often there are no documents regulating the provision of access for such temporary staff - when and how to grant and revoke access.

A typical picture for a modern bank: they hired external employees for a temporary project, gave them some kind of access to some systems, the project was completed, and people left, and forgot to close access to them. Since these people are not in the personnel base of the bank, no signal about the end of their work on the project is received by the IT service. The problem remains on the conscience of the project manager who requested access for outsourcers. But the manager could change or just forget that you need to revoke the rights. And in times of widespread "remoteness", when it is not necessary to physically come anywhere at all to enter the systems, such an attitude to access creates a giant gap in the security of a financial organization.

In any organization, and in financial especially, the problem from the point of view of access control is the creation of various project teams. Each such team is assembled as a separate organizational structure from different departments - developers, testers, economists, and business users. Accordingly, they are granted access to new, previously unused systems or systems with uncharacteristic rights for them. For example, a tester should check what a new service will look like for an accountant - he needs access with accounting rights. Such access, on the one hand, is difficult to justify and obtain, and on the other hand, in the absence of access control automation, there is a high probability that they will forget to revoke it.

Finally, a very urgent task for any bank is to work with conflicts of authority (SOD conflicts). First of all, regulators require banks not to have the functions of conducting and controlling financial transactions in the same hands.

Banks traditionally have a large number of employees holding the same positions, especially among low-skilled personnel. These are sometimes tens of thousands of operators who do not stay in one position for a long time - either they go for a promotion or they quit. Each such employee, when



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receiving, must promptly create accounts in the necessary information systems so that he can quickly begin customer service. And just as quickly it is necessary to change these rights (when transferring an employee) or block them (when firing). In large banks with a staff of tens of thousands of employees, several hundred accounts are created and blocked daily.

Without specialized access control systems (IGM/IGA), these problems are partially solved with the help of patchwork automation. The simplest thing that all banks start with is writing their own program for blocking the credentials of retired employees in order to quickly fulfill one of the most critical requirements of regulators. It seems to be great - we managed to solve the problem quickly. However, such a program will not be able to cover all users: for example, data of contractors and freelance employees are not in the personnel database, and access is granted to them.

In addition, IT services of large banks are adopting IT Service Management systems so that they can control their own work [1]. A side direction of using such systems is the processing of user requests for access to the bank's resources. However, such a system only allows you to automatically receive an application for access, and the execution of applications is carried out manually in the old-fashioned way.

The revision of access rights in the audit process can also be carried out manually - regulators demand to report, there is no escape. There is even a practice of hiring outsourcers to audit all access rights in a financial organization. However, such a manual check takes a very long time: while it is being implemented and the bank reports to the auditor, the information on access rights becomes outdated, and it's time to start a new recertification.

With the help of IGM/IGA, a role model of access control is formed in the bank - if there is none and the rights are granted spontaneously. In a mature IGM/IGA system, there are Role Mining tools that allow you to analyze all accesses currently available in the bank and decide whether to combine them into roles or leave them individual. Based on the role model, the processes of granting and changing basic rights are automated when certain personnel events occur: hiring, transfer to a new position or dismissal.

IGM/IGA allows you to centrally create access requests and coordinate them through a single interface. Access approval mechanisms change frequently, these changes must be constantly monitored so that there are no delays and failures in access approval. You can do this in a large organization only with the help of automation.

When an IGM/IGA system is implemented in an organization, approval routes are immediately configured, and all assignments of approvals and execution of applications occur automatically. If there is a delay, the system allows you to set a time limit for

obtaining access approval and start an escalation to a higher specialist when the limit is exceeded. Or automatically approve/reject the application, depending on the rules set by the system administrator. In this case, there can no longer be any delays in the process of reviewing access requests.

GM/IGA can also launch an automated revision of the access control role model in the bank. The system will automatically unload all current roles, distribute them to the owners of information systems, they will quickly check the relevance of the role model - whether any functionality has changed for them. If necessary, data on changes in access rights and roles will be entered into the system, and the role model will be automatically updated in accordance with the changes.

In addition, the developed automated access control system has effective mechanisms for monitoring compliance with the bank's information security rules. In manual mode, employees of the information security service, in order to understand which of the staff has access to a particular system, need to make a request to the IT department to provide a report on all users of the information system and their rights. Drafting, agreeing on the format and providing such a report may take several weeks, given the workload of IT personnel.

In the case of IGM/IGA, information security specialists have their own tool for controlling access rights and accounts of the organization's personnel. They can independently compile reports, conduct internal audits on information security in terms of access control, initiate user authority reviews, and investigate incidents. For example, if an incident occurred a few months ago, you can always find information in the system about who had access to a particular resource during the time period of interest, when, by whom and on what basis this access was agreed, etc.

Very important from the point of view of the information security of banks is the ability to automatically identify and block orphan and unused accounts. As in any large organizations, many technical accounts are constantly being created in banks, which are used by dozens of administrators in shifts.

If an incident has occurred, it is extremely difficult to figure out who used this account at a particular moment without an IGM/IGA system. A centralized access management solution allows you to assign responsibility for each account, whether it is personal or administrative/technical. If an unattended "account" suddenly appears, the system immediately sends a warning to the information security service. Its owner is determined and secured, and he is further responsible for all actions performed on behalf of this account.

Automated access control technologies allow you to prevent the occurrence of conflicts of authority.



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The IGM/IGA system can inform the user that the rights requested by him lead to a conflict of authority, or not allow the person to issue conflicting rights at all

If an exception to the rules is permissible, the person responsible for coordinating such conflicting rights must be involved in the process. Some kind of compensating procedure should be launched to reduce risks: for example, monitoring employee actions using a leak protection system and analyzing user behavior. In addition, such conflicting rights must be revoked in

time, immediately after the completion of the necessary actions. That is, there is no way to do without an automated mechanism that will control all actions and store the history of each step.

It can be said that IGM/IGA systems are needed by banks to build a comprehensive ecosystem of automation and security of access management based on contactless ID card reading technology. To make access convenient, transparent and secure, IGM/IGA must be complemented by multi-factor authentication technology and SSO (Single sign-on technology).

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