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NECESSITY OF PROTECTION OF SERVICE ENTERPRISES FROM DISHONEST COMPETITORS IN DYNAMICALLY DEVELOPING CONDITIONS OF ECONOMY

Abstract: This article highlights the factors that negatively affect the competitiveness of enterprises in the service sector. At the same time, the need for scientific and technological development with the widespread use of the latest technologies is shown as the main factor. For which, in the author's opinion, complex financial support is needed, the concept of which is presented in the conclusion of the article.

Key words: competitiveness, service sector, import, innovative development, modernization, financial support.

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Introduction

Growth in manufacturing of competitive products, decrease of expenses and increase of competitiveness of goods is predetermined by the organizational and economic conditions of the competition development. Honest competition as well as private property disposal is important in overcoming depression and achieve growth. It promotes not only the growth of small businesses, but also enhances their relations with huge corporations, which compete more and more on the international markets. Effective antimonopoly policy assists the development of such competition. It is carried out by enhancement of state regulations with the help of economic legal methods rather than disaggregation of such corporations playing an important role in manufacturing stability.

In recent years after the acceptance of the program of activities Strategy on the development of Uzbekistan more or less moderates the processes negatively effecting the economy [1]. The pivotal factor influencing the growth of effectivity in manufacturing among others is scientific-technological development with wide application of latest technologies. It plays the most important role in the increase of labor efficiency, yield of capital investments, manufacturing capacity of competitive

production. Such tendencies of competitiveness as decrease in manufacturing expenses and improvement of goods quality are becoming more and more evident in enterprises. The market system in our republic is becoming more dynamic and effective as the result.

Literature review

Since “the development of competition not only motivates the formation of the market, but also allows to eliminate serious violations of all economic proportions” [7], the study of methods of state policy to support competition is quite relevant.

The goal of competition policy in any country is to achieve free competition, since other market structures are not effective, that is, they do not contribute to the optimal allocation of resources in the economy, lower prices and innovative development of markets [10].

According to N.Beknozov, competition between enterprises is a conflict of economic interests of market participants, which means the struggle for higher profits and greater profitability [3].

A number of authors note that the competition of enterprises is an activity aimed at gaining a wider place in the market by determining the level of quality, price, image, additional services in the release of goods based on various socio-economic factors [6].

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The main part

Innovative development in economy and implementation of novel technologies will be of primary importance in increasing the budget profits and investments in coming years in our country. This may serve as the basis for keeping up with the Western countries in competitiveness of various types of products. Yet the problems related to the innovative development of economy and implementation of achievements of fundamental and applied sciences are not being solved [5]. As the result the liberalization of the economy and privatization, virtually, do not impact on the formation of effective and socially oriented market. It is to be developed with the help of constructive economic policy in the frames of the state program which is the development Strategy.

Without upgrading in science such fields as mining and processing, agriculture and transportation will not achieve required level of development. Therefore, innovative policy bound with socio-economic goals is urgent, which will provide systematic approach to utilizing all factors of growth in production effectivity in the conditions of modernization of state economics.

Development of long-term programs for the growth in engineering industry, metallurgy industry, electrical power engineering, chemical and light industry, in connection with the improvements in agricultural complex, fuel and raw-materials branches

and military-industrial complex should be coordinated with the main directions of complex program in scientific and technical advance. As a result, it will be possible more accurately determine required amount of financial and inventory resources for the investments, fully utilize all means of effectivity increase of national economy, and socially oriented market will be strengthened with the government system of efficient regulation and manufacturing stimulation instead of chaotic market with prosperous shadow and corrupt economics.

Technological and innovative backwardness of the majority enterprises cannot be denied. It means that the market cannot secure the reasonable distribution of resources yet, and above all the primary means of production with long-term glance. Market system needs not only adjustment, but better organization as well. It is also necessary to broaden the economic and scientific-technic relations with countries of near and far abroad. In short, more effective long-term scientific-technic strategy is required. For the time being it was formed by the agencies responsible for the prediction of socio-economic development prospects.

These directions correspond to such measures of state policy to support competition as stimulating (aimed at creating and developing a competitive environment) and protective or restrictive (aimed at suppressing actions against competition) (Fig. 1) [8].

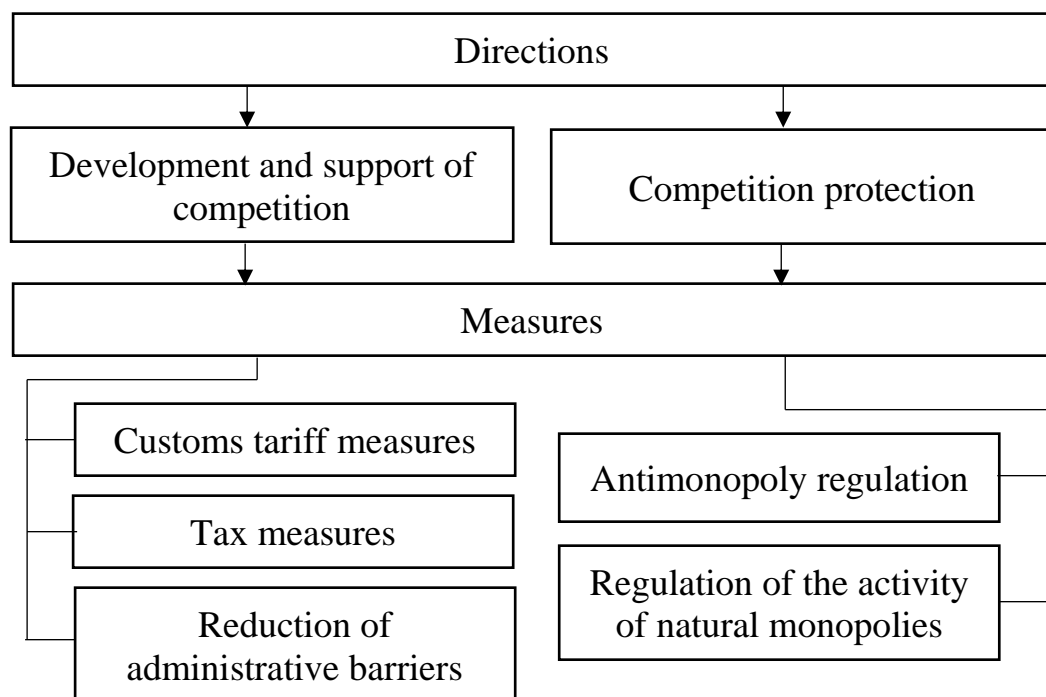


Fig. 1. Directions and measures of competition policy in the Russian Federation [8]

However, it is practically impossible to compile a complete list of measures aimed at developing and supporting competition, since in fact it is possible to include all measures that create not only opportunities

for the development of competition, but also incentives for its implementation. It is this part of competition policy that intersects with industrial policy. Measures aimed at developing and supporting

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competition, as opposed to protective measures, "largely reflect the technological and institutional characteristics of the industries to which they are applied" [9].

Financial assistance is required for the enterprises of all sorts of management in order to secure their competitive ability in struggle with dishonest foreign competitors. For instance, almost half of the imported food items are regularly withdrawn by the epidemiological services from use as being of improper quality, which in turn impacts the quality of services. It is not allowed to discriminate one manufacturers for others' benefit, yet this is still the case. It is time to restore government inspection over the quality, and at the same time enormous preferences granted to a number of foreign corporations should be cancelled. Further restructuring of the enterprises should be directed at creating vertically integrated structures capable of competing successfully both on the world and local markets rather than mere increase of formal financial indicators. It is necessary to strengthen the enterprises by means of financial support, especially innovatively developing touristic companies. It is impossible to ensure their resilience without such support. Such factor as efficient utilization of financial resources should be taken on account in GDP and the employees income growth. At present the majority of businesses in the villages, including touristic ones, are on the edge of breakdown. Therefore, together with the changes in the property form the methods of management and business running should be improved, principles of price parity should be observed not only for the industrial and agricultural

products, but also for the rates of service enterprises. Nevertheless, the government should not pay their debts.

One of the vital issues is that businesses in the service sectors should be supported on the equal rights, strictly observing the principles of equal benefits [2]. It should be considered that state financial support should be followed together with the principles of financial support or provision with financial resources [4].

Conclusion

This issue can be solved by following stated principles:

- provision, i.e. by voluntary payment as well as budget means (budget financing);
- assurance of financial support in cases of no lower than midrange efficiency;
- assurance of insurance in cases of insured events;
- various kinds of financial support for services of those who need social protection;
- participation of public organizations, who offer touristic services in developing, adopting and realizing decisions on issues of financial support and protection of their activities.

For the development of service enterprises, the complex program of financial support is needed, including securing the youth in this field, upgrading their education, healthcare, housing, as well as improving of cultural-residential conditions of employees and professionals in the innovatively developing enterprises.

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