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Article





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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.

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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.



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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 natural gas	oil products	electrical energy, 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 corrected.

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 indicato	r for different sales volume	es 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 .9	24033 .9	24033 .9	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 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, 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, but, 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.

Indicators	The value of the indicator for various sales volumes per 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	-	-	-	-	-			

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



	()		SIS (USA)			= 6.630
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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

Indicators		The value of	f the indicato	r for various	sales volumes	per month (%	<u>(</u>)
mulcators	100	80	72	60	40	30	20
1	2	3	4	5	6	7	8
in the production of c	hildren's shoe	es					
winter							
Profit (+)	2962.09	800.84	-	-	-	-	-
Loss (-) from sales,		_	0	-1540.39	-3791.93	-4917.26	-6042.89
thousand rubles	-	-	0	-1340.39	-3791.93	-4917.20	-0042.89
autumn	-	-	-	-			-
Profit (+)	2068	104.54	-	-	-	-	-
Loss (-) from sales,	_	_	0	-1858.92	-3822.4	-4804.25	-5785.8
thousand rubles			Ũ	1050.52	5622.1	1001.25	5765.6
summer	-1	-	-	1	-1	1	
Profit (+)	1422	-	-	-	-	-	-
Loss (-) from sales,	_	0	-340.72	-2103.45	-3866.12	-4748.03	-5628.9
thousand rubles		0	0.0002	2100110	0000112	17 10100	00200
spring							
Profit (+)	1537.63	-	-	-	-	-	-
Loss (-) from sales,	_	0	-63.04	-1735.16	-3263.51	-4063.78	-4863.98
thousand rubles		Ĩ.	00101	1,00110	0200.01	1000110	1000000
in the production of v	vomen's shoe	S					
summer shoes				1		1	T
Profit (+)	1648.68	739.69	285.01	-	-	-	-
Loss (-) from sales,	-	-	-	0	-169.31	-623.99	-1648.7
thousand rubles							
autumn boots	1	1	1	•			
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 n	nen's shoes						
winter boots	1			I			
Profit (+)	2825.44	2260.23	1695.22	-	-	-	-
Loss (-) from sales,	-	-	-	0	-1477.63	-977.93	-2825.4
thousand rubles							
autumn low shoes							



	ISRA (India)	= 6.317	SIS (USA)	= 0.912	ICV (Poland)	= 6.630
Immed Fester	ISI (Dubai, UAE	<i>L</i>) = 1.582	РИНЦ (Russia) = 3.939	PIF (India)	= 1.940
Impact Factor:	GIF (Australia)	= 0.564	ESJI (KZ)	= 8.771	IBI (India)	= 4.260
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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 th	e financial condition of enterprises

In diastans	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	-	-	-	-1298.25
winter range of footwear				-
Profit (+)	7545.06	4842.11	2141.28	-
Loss (-) from sales, thousand rubles	-	-	-	-561.16
spring assortment of shoes				
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.

Indicators	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sen.	Oct.	Nov.	Dec.
Sales volume, pairs	26114	26114	29661	29661	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



Impact Factor:

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ICV (Poland) PIF (India) IBI (India) OAJI (USA) = 6.630= 1.940 = 4.260 = 0.350

r	-	1	-	1			1	1				
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	978.5	5.876	978.5	1509
Net profit, thousand rubles	6036	6036	3697.4	3697.4	3697.4	2928.448	2928.448	2928.448	3914.19	3914.19	3914.19	6036
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, even 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 and 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 the 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:

appear in the format of reflection of objects, and

cognitive; communicative;

regulatory

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, 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 by 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 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 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 in 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 fur, outerwear and footwear garments. 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 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, exclusive 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 selfconfidence.

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 selfsufficient 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 to -boots, 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 "producerconsumer" 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 "intermediarybuyer", 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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	JIF = 1.50	0 SJIF (Morocco) = 7.184	OAJI (USA) = 0.350

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



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 SES.

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;
- 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 agreements were adopted: fundamental 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 imported 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 simply cannot adequately speak about the 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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