



THE ROLE OF THE CREDIT SYSTEM IN THE ECONOMY

Djumaev Panji Khurramovich

“Head of the Credit Department” of the Kashkadarya
Regional Branch Bank of the Republic of Uzbekistan

Ruziev Zafar Ikramovich

Associate Professor of the Engineering and Economics Institute

ABSTRACT

One of the important components of the development of the country's economy is the increase in consumption by the population. The credit institution is the center for ensuring the solvency of different segments of the population. In addition, the growth of entrepreneurship in the country, the development of the industrial sector and nanotechnological production is also ensured by improving and strengthening production capacities, purchasing the latest equipment, creating new jobs for free qualified employees, which is ensured by attracting borrowed funds, i.e. through lending to legal entities and individuals.

Keywords: credit system, credit relations, economic growth, credit stabilization, banking services.

Credit plays an important role in the economy, moreover, credit plays the role of a regulator of the economy, and therefore we can say with confidence that the relevance of this topic is beyond doubt.

Credits. Recently, we hear this word more and more often. Everything and everyone in our world lives “on credit”, some to a greater extent, and some to a lesser extent. Credit is one of the most important categories of economic science. The works of the classics of Marxism, numerous works of Soviet and foreign economists are devoted to its study. However, this topic is relevant, since credit relations in modern conditions have reached the greatest development.

Credit - funds provided by a bank or other credit institution (creditor) under a loan agreement to a borrower on terms of repayment and, as a rule, payment (in the form of interest for using a loan). The emergence of credit as a special form of value relations occurs when the value released from one economic entity for some time cannot enter a new reproduction cycle. Thanks to the loan, it passes to another entity that experiences a temporary need for additional resources and continues to function within the framework of the reproduction process.





The circulation of industrial capital inevitably leads, on the one hand, to the emergence of temporarily free money capital, and, on the other hand, to the emergence of a temporary need for additional resources. Credit serves to resolve this contradiction. On the surface of economic phenomena, credit appears as a temporary borrowing of a thing or money. With the help of a loan, inventory items, various kinds of machines, mechanisms are acquired, goods are bought by the population with installment payment. The object of acquisition at the expense of a loan is a variety of values.

One of the interpretations of the essence of the loan is its definition as a certain degree of trust of the seller to the buyer, who in the future will definitely make payments for the received values. This definition emphasizes the stable nature of the relationship between the seller and the buyer regarding the sale of goods, causing mutual trust of business entities to each other.

The relevance of this topic lies in the fact that in the current conditions of the national economy, the popularity of credit is growing quite quickly, and the dependence of the country's economy on lending is also increasing, especially during the period of development and stabilization in market relations. Credit relations are being introduced into almost all spheres of human activity, and now it is quite difficult for the normal functioning of the country's economy without a developed credit system, both at the national level and at the interstate level.

The role of the credit system is characterized by the results of its activities for the international economy, an individual state, and a specific population, as well as the specific features of the methods used to achieve these results. As for the methods, they are largely determined by the repayment of the loan and, as a rule, the provision of funds for a fee. This leads to more responsible actions of participants in credit relations and operations, and also increases their interest, encouraging them to act expediently, providing and using borrowed funds.

In practice, credit relations act as borrowing money or material resources for a certain period of time, with the condition of return, and, as a rule, with the payment of interest. From an economic point of view, credit is considered as an economic relationship associated with the movement of value. The subjects of credit relations are the lender and the borrower. Lender - a party to credit relations that has a sufficient amount of monetary or material resources and is able to provide these resources to the economic activity of the borrower for a certain period. Borrower - a party to a credit relationship that receives a loan, the main obligation of which is the return of monetary or material resources on time.



The essence of credit is manifested in its functions. In turn, the function of credit is a manifestation of its essence, an expression of the social purpose of credit. By using the functions of credit, enterprises of various forms of ownership and society as a whole achieve production efficiency, accelerate circulation and increase income. Finding out the functions of credit is of great practical importance, since this allows you to use it most efficiently. Credit performs the following three main functions:

Distribution - it consists in the distribution of funds on a returnable basis. It manifests itself in the accumulation of funds, as well as in their placement. Specifically, this function is manifested in the process of temporary provision of funds to enterprises and organizations to meet their needs for financial resources. Enterprises are thus provided with the necessary working capital and resources for investment.

Emission - it consists in the creation of credit means of circulation and replacement of cash. It manifests itself in the fact that means of payment are created in the process of lending, i.e. In circulation, along with money in cash, there is also money in non-cash form. The action of this function is also manifested when non-cash payments occur on the basis of the replacement of cash.

Control - it consists in monitoring the efficiency of economic entities. The operation of this function is manifested in the fact that in the economy that received the loan, comprehensive control is exercised by the ruble. It is on the basis of credit relations that monitoring of the activities of borrowers and creditors is built, the creditworthiness and solvency of enterprises are assessed. After all, any lender - a bank or an entrepreneur - controls the state of the borrower through a loan by its own methods, trying to ensure the timely repayment of the loan, to prevent untimely repayment of the debt.

The form of a loan characterizes the external manifestation and organization of credit relations and is determined by a number of features: the object of a credit transaction, the composition of participants, the intended purpose, etc.

There are the following types of loans:

Bank credit - the movement of loan capital provided by banks on loan for a fee for temporary use.

State credit reflects credit relations regarding the accumulation of funds by the state to finance government spending. Lenders are individuals and legal entities, the borrower is the state represented by its bodies.

A commercial loan characterizes a credit transaction between an enterprise - a seller and a buyer. A loan is provided in a commodity form in the form of a deferred payment for the sale of goods (services). In return, the buyer issues a promissory note with the obligation to make payment on time and pay interest.





Consumer credit reflects the economic relationship between the lender and the borrower regarding end-use lending. Credit is issued to the population to meet its consumer needs.

A leasing loan is a relationship between legally independent persons regarding the leasing of fixed assets of production or other property for long-term use, as well as financing the acquisition of movable and immovable leased property.

A mortgage loan is a special type of economic relations regarding the provision of long-term loans secured by real estate.

REFERENCES

1. Suyunovich, T. I., & Erkin, G. (2022). Possibilities to increase the multiplicative efficiency of tourism through digital technologies in new uzbekistan. *Web of Scientist: International Scientific Research Journal*, 3(8), 74-80.
2. Хасанова, Ю. М., & Рузиев, З. И. Жумаева Гулрух Журакуловна. Друкується за рішенням Вченої ради Державного університету «Житомирська політехніка» (Протокол № 12 від 25.11. 2019 р.) Редакційна колегія: д. е. н., проф. ВВ Євдокимов, 426.
3. Akmaljon, O., Erkin, G., & Nodira, M. (2022). DIGITAL MARKETING. *Uzbek Scholar Journal*, 10, 112-116.
4. Jakhongir, O. (2022). FINANCIAL POLICY. *Web of Scientist: International Scientific Research Journal*, 3(10), 592-597.
5. Jakhongir, O. (2022). WAYS OF DEVELOPING THE FINANCIAL MARKET. *Web of Scientist: International Scientific Research Journal*, 3(9), 569-574.
6. Ruziev ZI. THE ROLE OF TAXES IN THE FORMATION OF STATE BUDGET REVENUES. *European International Journal of Multidisciplinary Research and Management Studies*. 2022 Sep 30;2(09):58-65.
7. Nigora, A. (2022). ACCOUNTING STANDARDS AND QUALITIES. *Web of Scientist: International Scientific Research Journal*, 3(9), 533-539.
8. Nigora, A. (2022). MONETARY POLICY. *Web of Scientist: International Scientific Research Journal*, 3(10), 585-591.
9. ALIMKHANOVNA, A. N. Applying Effective Methods to Stabilize Inflation: the Role and Importance of Monetary Policy in Curbing Inflation. *International Journal of Innovations in Engineering Research and Technology*, 7(4), 1-4.
10. Маджидова, Ё. Н., Халимова, Х. М., Раимова, М. М., Матмурадов, Р. Ж., Фахаргалиева, С. Р., & Жмырко, Е. В. (2011). Молекулярно-генетические и некоторые биохимические аспекты болезни Паркинсона. *Международный неврологический журнал*, (1), 91-94.





11. Djalilova, S., Alikhanov, S., & Raimova, M. (2021). Evaluation of the effect of rTMS on non-motor symptoms of Parkinson's disease.
12. Раимова, М. М., & Алиханов, С. А. (2021). ВЛИЯНИЕ ТРАНСКРАНИАЛЬНОЙ МАГНИТНОЙ СТИМУЛЯЦИИ НА НЕМОТОРНЫЕ СИМПТОМЫ ПРИ БОЛЕЗНИ ПАРКИНСОНА. In *Фундаментальные и прикладные научные исследования: актуальные вопросы, достижения и инновации* (pp. 192-194).
13. Raimova, M. M., & Yodgarova, U. G. PATHOPHYSIOLOGY AND CLINICAL FEATURES OF RESTLESS LEGS SYNDROME.
14. Raimova, M. M., & Yodgarova, U. G. (2021). PATHOGENETIC ASPECTS OF RESTLESS FEET SYNDROME. *British Medical Journal*, 1(1.2).
15. Yodgarova, U., Raimova, M., & Boboyev, K. (2019). Etiopathogenetic factors and clinical picture of restless legs syndrome in persons of Uzbek nationality. *Journal of the Neurological Sciences*, 405, 236.
16. Раимова, М. М., Ёдгарова, У. Г., Бобоев, К. К., Маматова, Ш. А., & Ядгарова, Л. Б. (2021). Современные патогенетические механизмы развития синдрома беспокойных ног. *ЖУРНАЛ НЕВРОЛОГИИ И НЕЙРОХИРУРГИЧЕСКИХ ИССЛЕДОВАНИЙ*, (SPECIAL 1).
17. Раимова, М. М., Бобоев, К. К., Абдуллаева, М. Б., Ёдгарова, У. Г., & Маматова, Ш. А. (2021). СРАВНИТЕЛЬНАЯ ХАРАКТЕРИСТИКА НЕМОТОРНЫХ ПРОЯВЛЕНИЙ БОЛЕЗНИ ПАРКИНСОНА И СОСУДИСТОГО ПАРКИНСОНИЗМА. *ЖУРНАЛ НЕВРОЛОГИИ И НЕЙРОХИРУРГИЧЕСКИХ ИССЛЕДОВАНИЙ*, (SPECIAL 1).
18. Хамдамова, М., Ашурова, Н., Хамдамов, И., & Хамидова, Н. (2012). Контрацепция у женщин преклимактерического возраста. *Журнал проблемы биологии и медицины*, (1 (68)), 138-141.
19. Svetlana, B., Zita, A., Igor, P., Tatyana, Z., & Yuliya, M. (2016). The medico-social characteristic of girls with various clinical forms of premenstrual syndrome. *Modern European Researches*, (3), 31-35.
20. Хамдамов, Б. З., & Сайфиддинов, С. И. (2015). Оптимизация методов местного лечения гнойно-некротических поражений стопы при сахарном диабете. *Международный журнал прикладных и фундаментальных исследований*, (3-1), 22-24.
21. Агаев, Р. М., Агаев, Б. А., & Джафарли, Р. Э. (2005). Роль лазерной терапии в снижении осложнений после эхинококкэктомии из печени. *Анналы хирургической гепатологии*, 10(2), 96b-97.





22. Мирходжаев, И. А., Иноятлов, Х. Х., & Норов, Ф. Х. (2016). Оптимизация методов хирургического лечения множественного и рецидивных форм эхинококкоза печени. Биология и интегративная медицина, (1), 20-27.
23. Хамдамов, Б., Аскарлов, Т., Муродов, А., Мардонов, Ж., Хамдамов, И., Сайфиддинов, С., ... & Тешаев, У. (2015). Лазерная фотодинамическая терапия в лечении гнойно-некротических поражений стопы при сахарном диабете. Журнал проблемы биологии и медицины, (1 (82)), 94-97.
24. Davlatov, S. S. (2021). The review of the form of neuropathic diabetic foot. Вопросы науки и образования, (24 (149)), 28-42.
25. Bobamuratova, D., Boymuradov, S., Kurbanov, Y., & Akramova, D. (2021). Clinical analysis of complications of cavernous sinus thrombosis in COVID-19 patients. Journal of the Neurological Sciences, 429.
26. Rakhimbaeva, G. S., & Akramova, D. T. (2020). Role of Increasing Levels of The Hormone Cortisol in Cognitive Impairment in Parkinson's Disease: Vascular Parkinsonism. Eur. J. Mol. Clin. Med, 7, 2987-2994.
27. Akramova, D. (2017). Dependence of the indicators of cognitive potential of p300 to the forms of epilepsy. Journal of the Neurological Sciences, 381, 333.
28. Tolibova, N., & Vakhabova, N. (2017). Stroke incidence and association with risk factors in women in Uzbekistan. Journal of the Neurological Sciences, 381, 377.
29. Khamdamov, S. J., Akramova, D., Kuranbaeva, S., Shamsieva, U., Musaeva, Y., & Kalandarova, S. (2022). The role of vascular factors in Parkinson's disease and vascular parkinsonism (Doctoral dissertation, Prague/Czech Republic).
30. Khamdamov, S. J., & Akramova, D. (2021). Aspects of the vegetative disorders occurrence in the Parkinson's disease and Vascular Parkinsonism. Journal of the Neurological Sciences, 429, 119533.
31. Хамдамов, Ш. Ж. (2022). БАҲҚАРОП ИҚТИСОДИЙ РИВОЖЛАНИШНИНГ НАЗАРИЙ ЖИҲАТЛАРИ. Экономика и образование, 23(Махsus_son), 19-24.
32. Khamdamov, S. J., Akramova, D., Kuranbaeva, S., Shamsieva, U., Musaeva, Y., & Kalandarova, S. (2022). The role of vascular factors in Parkinson's disease and vascular parkinsonism (Doctoral dissertation, Prague/Czech Republic).
33. Ҳамдамов, Ш. Ж. (2021). ЎЗБЕКИСТОНДА ИНТЕНСИВ ИҚТИСОДИЙ ЎСИШ ОМИЛЛАРИНИНГ ЎЗАРО САЛМОҒИНИ АНИҚЛАШ. Экономика и образование, (5), 84-88.