



SOME ISSUES THE IMPACT OF THE SHADOW ECONOMY ON THE DEVELOPMENT OF THE RECREATIONAL TOURISM INDUSTRY IN UZBEKISTAN

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Annotation

The article analyzes the impact of the shadow economy on the development of the recreational tourism industry in Uzbekistan. Measures and regulatory documents on countering the shadow economy are considered. Moreover, the dangers of the shadow economy on the development of the country's regions in cooperation with corruption are identified, the natural, cultural and historical potential of Uzbekistan in the development of its recreational and tourism industry is determined. The high recreational and tourist attraction of the Tashkent region was revealed. Based on the results of the analysis, proposals have been developed to reduce shadow factors in the development of the recreational tourism industry in Uzbekistan.

Keywords: shadow economy, attractiveness, shadow recreation, recreational and tourist potential, region, Tashkent region.

Introduction

Uzbekistan is a country with a transitional economy and characteristic transformation processes, which, in turn, are systemic in nature. One of the natural, but at the same time, negative economic relations is the shadow economy. The shadow economy has a close relationship with corruption. Of course, corruption is also characteristic of economically developed countries of the world, the share of the shadow economy in such countries is much lower than in countries with developing or transformational economies. Thus, the share of the shadow economy in Switzerland is 7%, in China - 12.9%, in Italy - 25%, and, for example, in Kazakhstan - 33%, in Russia - 43.6%, in Bolivia - 66.4%. [11] In Uzbekistan, the level of the informal economy can be estimated as high (according to various estimates from 30% to 50% relative to GDP)[12]. It





should be noted that in 2019 (during the months of February-March), the World Bank conducted a study on the shadow economy based on a survey of managers and top managers of 1,239 enterprises of various business levels (large, medium, small), as a result, it was found that 21.5% are confident that they compete with unregistered or informal enterprises, and for 11.5% of respondents, the main obstacle in doing business is the activity of competitors in the "shadow" sector. [6] In this regard, on June 20, 2020, the Cabinet of Ministers of the Uzbekistan Republic approved a "roadmap" to reduce the share of the shadow economy in the country, the main areas of implementation of which were: structural changes, within the framework of this the State Tax Committee, as well as regional divisions will create departments for taxation based on the declaration of individuals, taxation of electronic commerce, reduction of the shadow economy and international integration. It should be noted that now the State Tax Committee is tasked with improving the system of VAT accounting and refund. In addition, departments for the assessment and accounting of the shadow economy and hidden unemployment will be created in the structure of the State Statistics Committee;

Introduction of digital technologies, which, in turn, provide for the formation of a new business management system with appropriate control of the effectiveness and quality of tax audits;

Expanding the volume of non-cash turnover, the Central Bank of the country is tasked with integrating the payment systems "Humo" and "UzCard", which will increase the number of payments using a QR code, payments of B2B business entities will be carried out in a continuous settlement system. In transactions with real estate and vehicles, it is planned to expand the use of modern banking services;

Increase in the coverage of the population with banking services, which will be increased by simplifying the procedure for providing consumer loans with amendments to the Law "On Consumer Credit". The development of non-bank credit organizations is also envisaged.

Reduction of the shadow economy in foreign trade.[2]In addition, on October 30, 2020, the President of Uzbekistan signed a decree "On organizational measures to reduce the shadow economy and improve the efficiency of tax authorities." [1] According to this document, in order to reduce the level of the shadow economy and create equal competitive conditions for entrepreneurial activity until January 1, 2022, the incomes of small businesses in the field of public catering received from individuals using bank cards and contactless payments are not included in the total income for the purpose of mandatory transition to the payment of generally established taxes. Also, business entities are allowed to purchase goods (services)





through corporate bank cards without signing a contract, but with the mandatory receipt of electronic invoices or receipts from online cash registers.

Until January 1, 2022, the tax authorities notify the Commissioner for the Protection of the Rights and legitimate interests of business entities under the President of Uzbekistan on the appointment of a tax audit and on-site inspections.

The decree creates a special commission to reduce the shadow economy.

Territorial Commissions will be Engaged in:

- assistance to entrepreneurs in legalizing business, obtaining the necessary permits;
- combating the sale of goods imported illegally or counterfeit products, as well as goods transported within the country without documents;
- prevention of entrepreneurial activity without registration and concealment of revenue, primarily by identifying the facts of illegal production, sale and storage of excisable products;

identification and suppression of the facts of informal labor activity, primarily at construction and service facilities, as well as the payment of wages "in envelopes". [1] The danger of the shadow economy for the sustainable functioning of the state is comparable to the lack of vital oxygen or a cancerous tumor for the body, and, according to A. Balgimbayev, "the special danger of corruption is that it undermines the foundations of statehood. Reaching a certain level, corruption becomes a threat to national security." [5] Today, for Uzbekistan, which is striving for full-scale integration into the world economy, the problems of the shadow economy in cooperation with corruption are a serious barrier on this path. That is why, at the 75th session of the United Nations General Assembly, the President of Uzbekistan stated that today the issue of uncompromising fight against corruption is one of the most important tasks, the solution of which cannot be delayed. [8] To address these issues, an independent structure was created in the country – the Anti-Corruption Agency. [17]

So, what are the dangers of the shadow economy in interaction with corruption?

Firstly, corruption catalyzes the development of the shadow economy and constantly stimulates it. That is why in "poor" countries the level of corruption is kept at a high level, and democratic institutions are weakened and dysfunctional.

Secondly, the shadow economy, in cooperation with corruption leads to a decrease in the incomes of the population, encouraging them to conduct illegal activities, and also seriously undermines the public's faith in the power of state institutions. This problem, in turn, grows from economic to socio-political.



Thirdly– as a result of the rapid development of the shadow economy, there is a danger of a shortage of goods and services. Of course, this state of affairs directly affects the activity of competition, the quality of goods and services.

Fourth– today in Uzbekistan, the shadow economy does not allow us to see the real picture in the development of construction, transport, tourism and other spheres.

Speaking about the tourism industry, we note that today Uzbekistan pays special attention to the development of the recreational and tourism sector as one of the leading sectors of the country's economy. (fig.1.)

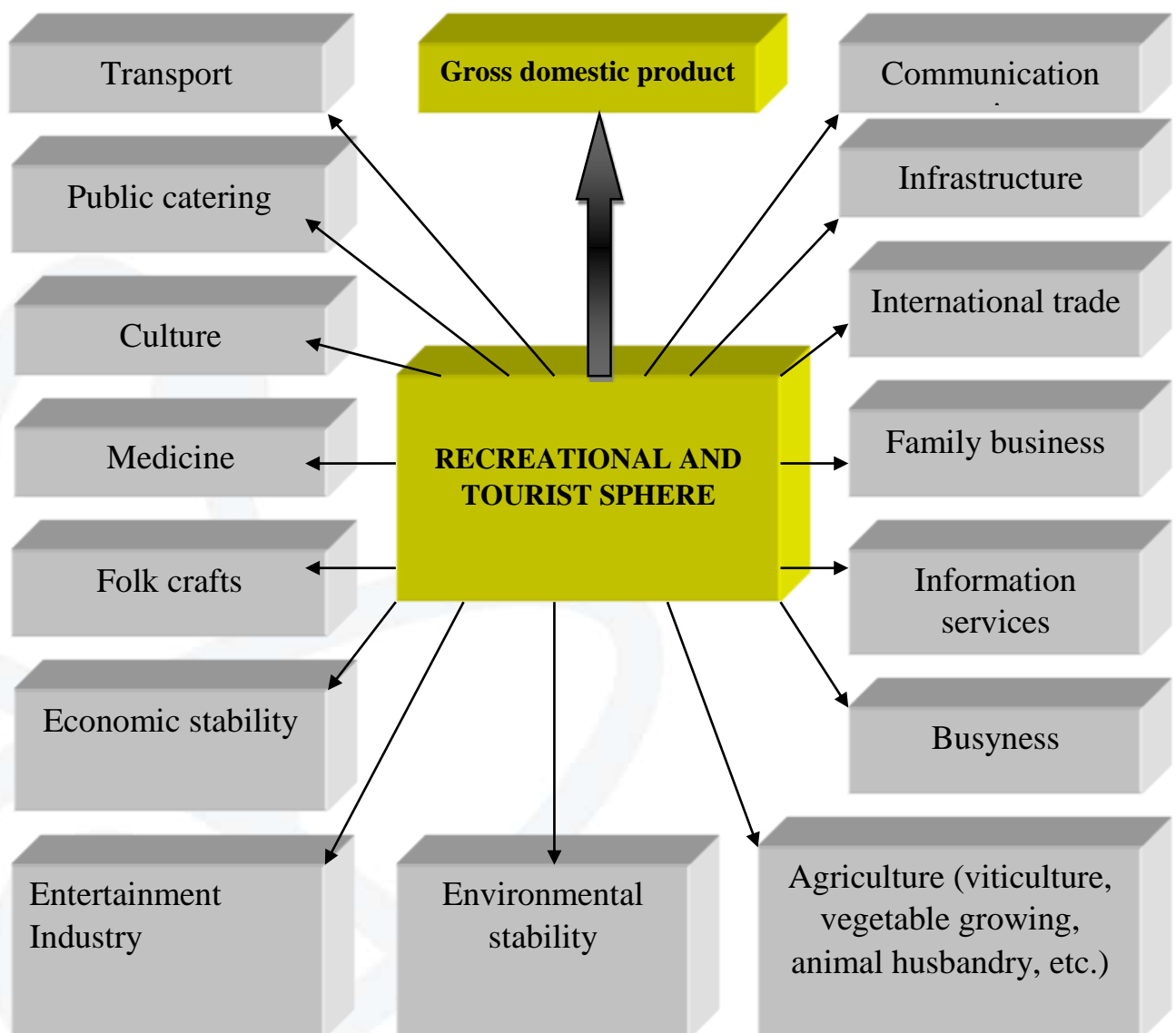


Fig.1. The influence of the recreational and tourist sphere on the economy of the regions of Uzbekistan.



Uzbekistan has a huge natural, cultural, historical potential, which makes possibility to develop tourism as a spectrum of opportunities. So, for example, Samarkand is the beauty of the East, where there are such historical and architectural monuments as: Afrosiab (VIII century BC), architectural and memorial complexes Shahi Zinda, Khoja Ahror Wali, Imam Al-Bukhari, Hazreti Khizr mosque, Bibihanum, Namozgoh, Ulugbek madrasah, Sherdor Madrasah, Tilla-Kori, Rukhobod, Aksaray, Gur-Emir mausoleum, Ishrathona, Chupon-Ota, Khoja Abdi Darun, Chorsu Bazaar (late 10th century).

One of the most interesting ancient cities of Uzbekistan is Bukhara. This is a major historical and architectural center, where the sights of the city have been preserved. The most famous of them are: Kukeldash, consisting of a madrasah of the 16th century; the Lyabi-Hauz Ensemble, Baha-ad-Din Naqshbandi; Poi Kalon, consisting of 3 architectural structures: the Kalon minaret, Kalon Mosque and Mir-i Arab madrasah; the oldest archaeological monument of the city - Ark fortress; the Paykent settlement, located in one of the strongholds on the transcontinental route of the Silk Road; the Sitor-i-Mokhi Khosa Palace; the Bolo- House; mausoleum of the Samanids; Mausoleum of Chashma Ayub; Mausoleum of Sufi Sayfeddin Baharzi and Buyan-Kulikhan; cult complex - Mazar Khoja Zaffaron; Mazar Khoja Ubbon; Sufi women's monastery of Kiz-bibi; Madrasah Abdullaziz Khan; Madrasah Ulugbek; Madrasah Chor Minor; Honako Khoja Zainuddin; necropolis Chor - Bakr; Magoki Attori Mosque; Hanako Faizabad. [14]

The western regions of Uzbekistan, which include the Republic of Karakalpakstan, are territories - concentrations of a specific nomadic culture. The most famous sights are Ayaz-kala, Giaur-kala, Dzhanbas-Kala, Koi-Krklgan-kala, Kyzyl-Kala, Maslumkhan-sulu Mausoleum, Mizdakhan, Toprak-kala, Chilpyk. [15]

The southern regions of our country give a special flavor to "Uzbek" tourism. One of them is the city of Karshi, which is located in the Kashkadarya River basin, on the western edge of the Pamir-Alai mountain system, with a 2,700-year history. The most famous monuments of historical and architectural architecture are: the mosques of Bekmir (XVI), Kilichboy, Kok-Gumbez (late XVI century), Khoja Kurban, the ancient settlement of Yerkurgan, the buildings of the madrasah of the XIX century, Magzon and Charmgar (XIX-XX), the only educational institution for women of the madrasah of Odin. [16]

One can talk endlessly about the recreational and tourist potential of Uzbekistan, so vast are the opportunities and prospects in this industry, but it is in this area that the issues of "shadow recreational and tourist activity" are particularly acute. The most vulnerable to the shadow economy in the tourism industry can be considered





recreational activities or so-called "shadow recreation", which is directly related to domestic tourism.

One of the regions of our country with recreational potential is the Tashkent region, which is rightfully called the pearl of Uzbekistan. Today, there are 120 organizations in the region providing services to local and foreign recreants and tourists, including 15 tour operators and 45 hotels with the ability to serve 2,440 tourists per day, 71 sanatoriums and recreation areas, and the total number of recreational and tourist facilities is 225 units. According to official data, less than 290 thousand recreants are placed in the Tashkent region annually. [7]

However, our field studies conducted in 2019 showed that 150 thousand recreants rested only in the Charvak reservoir area this year, and only in the summer season, and repeated studies in 2018 and 2019 showed that this number doubled, and more than 300 thousand people already rested in the coastal territory. In this regard, I would like to note that the statistics of domestic tourism needs a serious revision of the scientific, methodological and practical bases of accounting for recreants. It should also be noted that the strategic objectives set for the development of the tourism industry require deep and fundamental research in this area.

One of the first and main problems that a researcher faces when analyzing recreational activities is determining the exact number of recreants and tourists. This is due to insufficient statistical accounting of local recreants, which, in turn, is a hindering factor in identifying and identifying problematic aspects of the development of domestic tourism. The main data regarding local recreants are provided by travel companies that specialize in foreign recreants and tourists, and the issues of providing and accounting for tourists, both foreign and local, are conducted systematically and accurately, as well as hotel data keep records and registration, and if the recreant does not stay at the hotel, then no one will know about his trip, as well as the direction and frequency of the trip. That is, the data that are provided to the State Committee of the Republic of Uzbekistan for Tourism Development are not complete, which means that they require a fundamental rethinking of the issues of accounting for local recreants.

Today, the participation of the recreational sector in the regional budget cannot be seen in total terms due to the above-mentioned problems. But in order to have at least some idea about the share of recreational activities in the regional budget, in 2019 we developed two questionnaires: "Problems in the service sector" and "The state of recreational tourism in the Tashkent region". As a result, 1,500 respondents were interviewed and the approximate amount of money that the recreants want to spend on vacation, including the cost of the trip and the road, was determined:





- from 300-500 thousand soums - 320 people (20.3%);
- from 500 thousand soums –1 million. sum – 552 people (36.8%);
- from 1 - 3mn. sum – 300 people (20%);
- from 3-5mln. sum – 266 people (17.7%);
- above 5 million. sum – 62 people (4.2%).

According to official statistics, less than 290 thousand recreants rest in the Tashkent region every year, however, our field studies have shown that more than 300 thousand people rested only in the coastal territory of the Charvak reservoir during the summer period, i.e. the main number of recreants remained invisible in statistics, which means that their value in the regional budget also remains unaccounted for. The questionnaire survey allowed us to determine the minimum amount that recreants are willing to spend for a vacation - this is 300 thousand soums. Now we can say that the regional budget of the Tashkent region annually suffers enormous losses, and this state of affairs needs a complete rethinking of the order and methodology of accounting in this area.

The expansion of "shadow recreation" is also due to the rather low level of non-cash settlement in the process of implementation and satisfaction of recreational needs, as well as the insufficient development of modern tourist infrastructure and facilities.

There is another serious problem associated with the activities of unaccounted-for recreants - this is ecology. As a result of the "predatory" consumption of recreational resources by recreants who independently organize their holidays in natural areas, unique trees and plants are destroyed, and household waste pollution occurs in natural areas. The intensity of such consumption of natural and recreational resources can lead to the depletion of natural territories and change the entire ecosystem of the region. So, in the Bostanlyk district in the summer, recreants and tourists left behind more than 100 tons of household waste.

Solving the problems of "shadow recreation" involves creating a "modern" recreational and tourist infrastructure. So, for example, the construction of a modern resort area "Beldirsai-Chimgan-Nanai" with all the possibilities and digitalization of the process has begun in the Tashkent region. The project cost is 482.4 million US dollars, the concept and economic model of the complex was developed by a French company. [3] Note that the concept of "modern" today is identical to the concept of "digital". Indeed, the digitalization of the economy with its branches will reduce the level of the shadow economy and at the same time will become a powerful incentive for healthy economic growth. In this regard, President Shavkat Mirziyoyev, at a video conference held on September 22 this year, noted that it is necessary "... to digitalize, first of all, those areas that people face most often, and thus make life easier for





citizens. Based on this requirement, working groups have prepared 530 regional and 280 sectoral projects" [4]

In conclusion, based on the results of the analysis, we offer:

1. Make appropriate changes to the procedure for providing statistical information on recreational citizens of the Republic of Uzbekistan by tourist firms specializing in servicing the local population to the State Committee of the Republic of Uzbekistan for Tourism Development.
2. For companies organizing tours that involve overnight stays, to develop a system of insurance services, and this, in turn, can become one of the indicators for determining quantitative characteristics in this segment.
3. It is necessary to develop a system for accepting payments for recreational and tourist services on the website with the connection of an online cash register. This approach is convenient for both clients and tourism organizations that strive for sustainability and transparency of their activities.
4. In the market of walking tours and tours, it is advisable to develop a mechanism for the supply to the register of tour operators. This will reduce the number of "shadow" tour operators that create unequal competitive conditions in the implementation of this type of recreational and tourist activity.
5. It is necessary to continue stimulating non-cash payments in the tourist services market with digitalization of the process of organizing and conducting tourist and recreational business.

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