

STUDY OF THE FOUNDATIONS OF THE ECONOMIC MECHANISM OF PROTECTION AGAINST RISKS

Kambarov Jamoliddin Khikmatillaevich

PhD in Economics, Docent, Department of Management,

Fergana Polytechnic Institute, Fergana, Uzbekistan

E-mail: j.kambarov@ferpi.uz

Ph.Num.: +998906311159 ORCID: 0000-0002-9293-3582

Abstract

There are specific aspects of risk management that cannot be ignored. The article describes the mechanisms of risk management and the foundations of economic mechanisms in their structure. In this case, its impact on industrial enterprises is highlighted.

Keywords: risk, risk, economy, management, social processes, risk management, mechanism, economic mechanism.

The economy is the mechanism of a business enterprise with a complex structural structure. Such a multifaceted approach deepens the category of the economy since each event and process in it embodies a political and social position. At the same time, the problems of the economy are of a massive nature, the solution of which leads to a change in social, organizational and political processes.

The complex system of the economy is based on various and closely interconnected relations of its constituent elements. Therefore, the management of a particular economy, regardless of the economic system, always operates in the conditions of problems and risks. Risk threatens the functioning of systems, regardless of which country or at what level economic relations are organized.

The presence of risks in social processes requires the effective organization of a management system against it in every link of the economy. In each branch of the national economy, it is necessary to organize risk management in a certain order and ensure continuous activity.

Although risk management as a term appeared relatively late, it is not a new concept. Because as soon as the initial risks appeared, the fight against them began.

Risk management is a controlled process that covers all areas and processes of the enterprise and is always needed in the enterprise in the presence of risk. This understanding of the issue shows the need and importance of risk management.

Until now, there is no consensus among economists about the causes of risk, and there is no single recognized definition of risk management. But mature representatives of the Russian School of anti-risk management E.M. Korotkova, E.A. Babushkina, O.Yu. Biryukova, L.S. Vereshchagina and others support the following definition: anti-risk management is a form of management in

which risk methods such as monitoring and forecasting mechanisms, analysis of nature, probability, symptoms, reduction of its negative consequences are widely used for sustainable development in the future [1,2,3].

Anti-risk management differs from other methods of management by its activity, early identification of risk and the development of measures to eliminate it, and the use of measures to reduce its negative consequences. Also, the important aspect of anti-risk management is that it makes it relatively easy to eliminate the financial and economic problems that have arisen in the enterprise with the help of various strategies and tactics.

This method of management requires cost and resources. Because the source of the risk takes advantage of the conditions of financial difficulties. Therefore, the main requirement of risk management is the implementation of an optimal investment policy in the enterprise. Accordingly, adding investment policy to the definition would further refine definition.

In our opinion, anti-risk management is the development of comprehensive measures by the enterprise to eliminate risk or create immunity before its occurrence, which includes a strategic investment policy.

There are characteristic aspects of risk management that cannot be ignored. Any mechanism for improving the health of the enterprise should be based on:

First, the processes in the enterprise are divided into controllable and uncontrollable types. Controlled processes are related to the internal environment, and it is easier to eliminate them when internal causes have a greater influence on the occurrence of the risk. Uncontrollable processes are mainly related to the external environment, and the enterprise does not have the opportunity to control them. If the causes of risk are more related to the external environment, the probability of bankruptcy of the enterprise increases.

Second, not all controllable processes are completely controllable. A complex economy, regardless of its scale, can always create difficulties and problems for its scope. It is based on the desire of people to protect different interests. Therefore, there is no possibility of absolute control of the processes, which are governed by the conflict of interests and different fog. It is especially aggravated by the disruption of collective psychology in risky situations and the occurrence of situations that make people panic.

Thirdly, the diversification of enterprise activities creates management problems. If the enterprise initially, in the newly established period, is satisfied with the low-quality management due to the small number of workers and employees and the low production capacity, the growth of production and the increase in the number of employees expands the managed object and this naturally creates complications in management [4,5].

Difficulties in enterprise management were simple in the underdeveloped conditions of production. The level of management was much lower than the level of production. Later, the enterprise is forced to increase management problems to increase production volume and profit. Management difficulties increase faster than production growth. As a result, when production

reaches a peak, management becomes difficult, and this affects the gradual decline of the overall performance of the enterprise. If the enterprise can quickly adapt to the changes in the market and internal environment, the possibility of providing a regular increase in production volume with effective management services will increase. Research shows that small businesses are effective in this regard. But he also faces management problems when he moves to big business. There is only one way to avoid this problem, and that is to increase management costs.

Fourth, risk symptoms, causes of occurrence, consequences and elimination. The following sequence reflects the direction of risk in risk management. The effectiveness of risk management is characterized by a clear understanding of this course of action.

Fifth, the size of the risk is measured by the damage it causes. This nature of risk management shows the importance of risk prevention and the need to be ruthless about the causes of dealing with it. Because risk, whatever its appearance and form, ultimately causes economic damage, financial difficulties and depression for the company.

The process of managing the company's activities creates various difficulties, especially in risky situations. Such a description of it shows that the risk management policy has complex content and its organization requires specific steps. Risk management includes 3 stages of management.

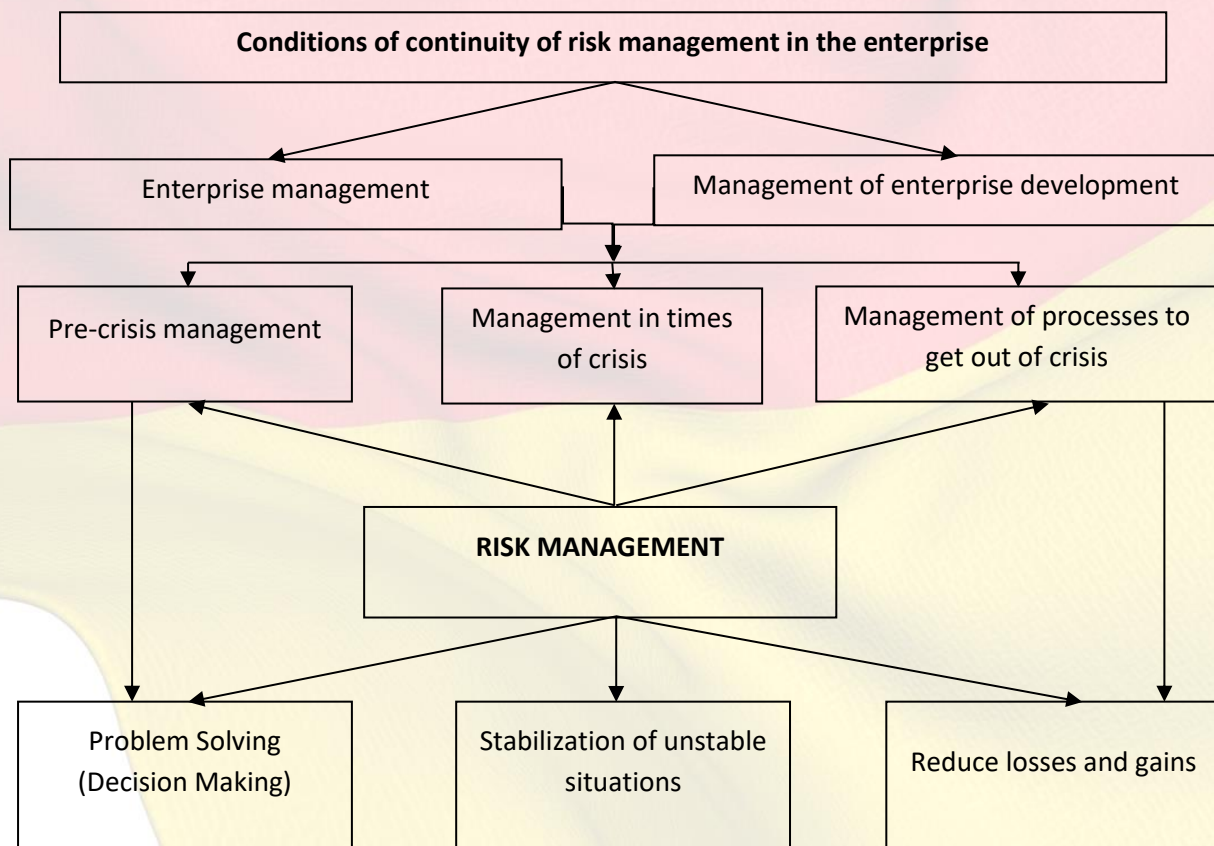


Figure 1. Persistence conditions of risk management¹

¹Prepared by the author based on research results.

According to the picture, the purpose of enterprise management is to manage the level of development of enterprise activity. The goal of managing development is to make decisions that prevent it from stalling. This, in turn, requires risk management to be an ongoing process.

Therefore, the effectiveness of risk management is determined by the pre- and post-management results. However, efficiency is also determined by the cost of risk mitigation. It is difficult to evaluate such efficiency with specific indicators, but it can be analyzed and evaluated in advance through management success or calculations.

Indicators related to any main activity of the enterprise can be obtained as a control indicator that determines efficiency. But management during the period of risk does not always give positive results. If it gives a negative result, it means that the risk management strategy was chosen incorrectly and it should be changed operationally. In this case, the extent to which the risk management mechanism is organized is useful.

The mechanism of anti-risk management is one of the newly used concepts in the economic literature and is gaining popularity. At this point, it is necessary to clarify the term "mechanism". From the point of view of exact sciences, a mechanism (Greek: mechane - weapon, structure) is a device that converts the movement of one or more bodies into a known movement of other bodies. It forms the basis of most machines and is described as being used in many tools, appliances, and machinery.

When talking about the mechanism, the expressions market mechanism, economic mechanism and economic mechanism are more common in economic sciences.

Effective implementation of risk management in industrial enterprises depends on the level of organization of the management mechanism on which it is based. The risk management mechanism can be divided into economic, social, organizational and integration types and can be analyzed through the following figure.

And the economic mechanism of risk management indirectly affects all economic relations and processes, relying on the mechanism of the general enterprise.

In our opinion, the economic mechanism of anti-risk management is a set of economic methods, methods and means of eliminating the risks arising in the enterprise. It is a multi-level system based on risk management technology. But it should not be forgotten that the economic mechanism of risk management is a part of the mechanism of risk management, which includes organizational-administrative, legal, social and integration mechanisms. All of them are part of the risk management mechanism.

The process of implementing the economic mechanism of risk management includes the following activities:

- analysis and diagnosis of risks in the enterprise;
- developing a financial rehabilitation program;
- development of a system of economic incentives and benefits;
- revision of the company charter and adaptation to the process;

- regulation of the internal information system;
- organization of internal accounts;
- development of effective marketing and investment policies.

The composition of the economic mechanism of the aforementioned risk management depends on the causes causing risk in the enterprise and their severity. If the risk deepens and the work to eliminate it becomes more difficult, the economic mechanism will also become more complicated. As a result of the research, it became known that the improvement of the economic mechanism of anti-risk management to reduce the level of risks in industrial enterprises is carried out in two different ways.

References

1. Chapman C., Ward S. Project risk management processes, techniques and insights. – John Wiley & Sons Ltd., 2003.
2. Bartzas G., Komnitsas K. An integrated multi-criteria analysis for assessing the sustainability of agricultural production at regional level //Information Processing in Agriculture. – 2020. – Т. 7. – №. 2. – С. 223-232.
3. Kaen F. R. Risk management, corporate governance and the public corporation //Risk management: challenge and opportunity. – 2005. – С. 423-436.
4. Mirzakarimova M. The Economic Cycle: Structural Changes and Employment Issues. - Т.: Science, 2010. - В. 29.
5. Бабушкина Е.А. Антикризисное управление: конспект лекций / Е.А. Бабушкина, О.Ю. Бирюкова, Л.С. Верещагина. – М.:Эксмо, 2008. – С. 25.
6. National Encyclopedia of Uzbekistan. Volume 5. Konimex-Mirzoqush. Editorial board: M. Aminov, T. Daminov, T. Dolimov and others. - Т.: National Encyclopedia of Uzbekistan, 2003. - p. 618-619.