



THE ESSENCE OF THE APPRAISAL SYSTEM IN THE PROCESS OF EXPROPRIATION AND PRIVATIZATION OF PROPERTY IN UZBEKISTAN

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<p>Received: 17th July 2022 Accepted: 17th August 2022 Published: 30th September 2022</p>	<p>It is known from the world experience that privatization of state enterprises has a significant positive effect on economic development. At the moment, Japan (5 percent) has the highest state ownership of enterprises in the world. This indicator is 11 percent in other developed countries, in particular, in the USA, 18 percent in Germany, and 22 percent in South Korea. In Uzbekistan, 55 percent of the enterprises are owned by the state.</p> <p>According to experts, the state's high level of participation in the economy hinders competition, creates serious problems such as monopoly, corruption and conflict of interests.</p>
<p>Keywords: Privatization, state ownership, transparency, private sector, monopoly, corruption, competition, economic development, optimal prices.</p>	

INTRODUCTION

Privatization in Uzbekistan has been going on for thirty years at different speeds. In turn, it can be evaluated differently. However, at the same time, it is noteworthy that the new political principle of Uzbekistan allows for changes in the field of privatization. Privatization is the process of transferring property ownership from the state to the private sector. The process itself should have a solid and transparent legal basis in order to avoid future disputes over ownership of property after privatization. The experience of other countries shows that it is appropriate to regulate two directions. These are the principles of state asset management and the principles of privatization of state assets.

On the other hand, it should be noted that by this time the processes of privatization have accelerated. The main goal of the privatization processes carried out in our country is to deliver state-owned property to the most effective organizations and people based on the interests of the people and the state, based on the principles of transparency and competition, taking into account the interests of investors. As a result, society will be enriched due to future effective management.

On the one hand, it is certainly good that inefficient enterprises are sold to business people and, as a result, things go well. But it is important to sell it at optimal prices to a reliable businessman. Only then will the property reach its true owner, and the interest of the state and people will increase due to the development of that enterprise.

MAIN PART

Privatization is the transfer of ownership of state property from the state to private individuals. Expropriation of property from the state, in addition to privatization, also provides for the creation of other non-state forms of property at the expense of this property. It is done in a number of ways:

- turning state enterprises into joint-stock companies, selling the state enterprise and turning it into collective property;
- giving property to citizens free of charge based on checks issued according to the value;
- sale of property to some entrepreneurs and business managers;
- selling some state enterprises to foreign companies and citizens or giving them on loan;
- sale of state property at auctions, etc.

Privatization implies a change in the form of ownership, the transition from state ownership to other forms of ownership (private, mixed). Large industry, small and medium-sized enterprises of industry and trade, service sector enterprises, housing fund, housing construction, enterprises can be objects of privatization. After the privatization of agriculture, the property can become the property of individual citizens, banks, enterprises, joint-stock companies, etc.

Privatization process is primarily driven by political and economic orders. A country that is on the path of re-transformation of the market faces such problems as how to implement privatization, how to evaluate and divide enterprise property, and how to choose its buyer. Broadly speaking, the defined strategy, which varies from country to country, should reflect the goals of the national privatization program.



In Uzbekistan, the organizational and legal basis of property valuation is developing in accordance with the ongoing economic reforms and the deepening of the process of gradual expropriation of state property. Currently, these principles are represented by laws and by-laws, the Unified National Assessment Standard and other regulatory documents of governing bodies.

Each government pursues the following goals when implementing a privatization program:

1. Reducing the budget deficit based on the reduction of subsidies to enterprises;
2. Filling the budget based on the proceeds from the sale of state assets;
3. Development of human civilization, economic system, division of labor in commodity production.

The scale, methods, and duration of privatization are different, each of them mainly depends on the specific characteristics of the country. The main feature of the experience of privatization of enterprises of foreign countries is preparation for this process. In this regard, the following measures are implemented in foreign countries:

- creating a legal basis for the privatization process;
- development of privatization methods;
- development and implementation of a plan to improve the condition of enterprises to be privatized;
- creating a marketing strategy for the activities of privatized enterprises;
- destruction of social institutions of enterprises to be privatized or transfer to local bodies;
- financial support and retraining of laid-off employees;
- sale of excess assets.

The main goal of privatization should not be to bring income to the budget, but to give property and enterprises in society to the most efficient owner. The best thing about this is that the owner who bids the most money is equated to the most efficient owner. When it comes to privatization, it is more correct to look from the point of view of future efficiency, and not how much of the budget revenues are filled with funds from privatized properties.

The methods of privatization are different and can be divided into 3 main groups:

- 1) privatization of state property by giving it away for free;
- 2) privatization through the sale of state property;
- 3) privatization by coordinating the sale and distribution of state property for free.

The task of privatization in the Republic of Uzbekistan does not deny that the public sector plays a significant role in market conditions. Because there are areas of the economy where state enterprises should be preserved. For such enterprises, it is required to develop

a management mechanism that allows them to adapt to the market conditions.

It is also envisaged to use the following methods of expropriation and privatization:

- sale of shares of joint stock companies established during privatization;
- turning state enterprises into joint-stock companies and selling their shares in the prescribed manner;
- sale of non-joint-stock companies by tender and auction;
- property of operating, liquidated and liquidated enterprises (assets, as well as unfinished objects sold at stock exchanges, auctions and by tender);
- sale of shares (parts, shares) considered state property at an auction, according to a selection, including a selection with a limited number of participants.

The following are the evaluation objects of the state housing fund for the purpose of privatization:

- apartments in multi-apartment buildings and one-apartment houses (parts of houses) used under the terms of the lease agreement;
- apartments, one-room houses (parts of houses) that have not been moved in and vacated after the completion of reconstruction and repair;
- apartments in newly built houses.

In the process of evaluating the state housing fund for the purpose of privatization, identification of the object of evaluation, inspection of the object of evaluation based on the documents provided by the customer and the person represented by the appraiser (inventory documents related to housing or residence were collected) sighting, photographing, studying its actual existence and actual condition, description containing the object's name, location, quantity and quality composition, technical specifications, and other information reflecting the specific characteristics of the object of assessment or is done with.

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In the Republic of Uzbekistan, the creation and formation of the evaluation activity is carried out simultaneously with the creation and improvement of its legal and regulatory basis. In particular, regulatory and legal frameworks have been developed in our country regarding the assessment of the value of privatized property. The regulation of assessment activities has a special place in the created legal framework.



The assessment of the value of the object of evaluation for the purpose of privatization consists of the following stages:

- defining the evaluation task and drawing up an agreement on evaluation of the evaluation object;
- identification of the assessment object;
- collecting information and analyzing it;
- calculation of the final value;
- drawing up an evaluation report.

The assessment task is drawn up by the customer together with the assessment organization and formalized as an appendix to the agreement on assessment of the object of assessment. The assessment task includes:

- name and description of the assessment object;
- address of the assessment object;
- assessment date;
- purpose of assessment and intended use of assessment results;
- type of value in accordance with the purpose of assessment;
- restrictive conditions;
- a list of preliminary information to be provided by the customer or his representative;
- deadlines for carrying out evaluation works.

Depending on the purpose of the assessment and the characteristics of the object of assessment, the assessment task may include additional conditions.

At the next stage of evaluation, that is, during the identification of the object of evaluation, the evaluator determines the compliance of the submitted documents with the actual condition of the object of evaluation and the property rights to it. Identification of the object of evaluation is based on the documents provided by the customer and the person represented by the appraiser. and is carried out by means of description, which includes quality content, technical specifications and other information reflecting the specific characteristics of the object of assessment.

For the purpose of privatization, the evaluation of the value of the object of evaluation is carried out by the appraiser using the method of residual balance sheet value.

Calculations in the evaluation process are performed in the following sequence:

- potential gross income as rent for the total area of the building (part of it) being privatized is projected;
- Losses related to the area not being fully loaded and the receipts being lost;
- actual gross income is defined as the difference between potential gross income and losses;
- operating expenses are deducted and net operating income is obtained as a difference;
- the real estate value is estimated as the ratio of the net operating income to the capitalization ratio.

At the last stage of the evaluation, an evaluation report is drawn up. The evaluation report is a document confirming that the evaluation organization has fulfilled its obligations to determine the value of the evaluation object, and is prepared in written form.

The evaluation report describes the evaluation object, the collected information, calculations, the final value of the evaluation object, confirmation of the evaluation base, the purpose of the evaluation, as well as all other factors that ensure a complete and uniform interpretation of the evaluation results. assumptions and limiting conditions are stated.

The evaluation report will consist of the following components:

- title page;
- content;
- attachment letter (summarizing part);
- access;
- main part;
- conclusion;
- list of used sources;
- applications.

The evaluation report is numbered and signed and sewn by the evaluator, as well as confirmed by the signature and seal of the head of the evaluation organization with which the evaluation customer concluded a contract.

Copies of the documents used by the appraiser and determining the quantity and quality descriptions of the appraised object, including documents determining the right, as well as technical inventory documents and other necessary documents, are attached to the appraisal report. If it is specified in the evaluation task, it is mandatory to have photos that reflect the current condition of the object of evaluation on the date of the evaluation.

Also, the appraiser's qualification certificates and copies of the civil liability insurance policy are given in the attachment.

The evaluation organization is legally responsible for the evaluation results reflected in the evaluation report.

According to the information of the state asset management agency of the Republic of Uzbekistan, 614 enterprises and objects (including objects within the program and outside the program) were privatized in January-September 2021.

Local authorities have the largest share of privatized state-owned objects - 314 objects (51.0% of the total privatized objects in the republic), the Ministry of Water Management of the Republic of Uzbekistan - 90 objects (15.0%) , 133 objects (22.0%) belonged to the State Assets Management Agency, 6 objects (1.0%) to the Ministry of Public Education.



In January-September 2021, proceeds from the sale of state property amounted to 3638.7 billion. organized soum.

In terms of regions, the main part of revenues from the sale of state property went to the Agency MA (89.2% of all revenues), the city of Tashkent (3.4%), Tashkent (1.7%), the Republic of Karakalpakstan (1.2%), Samarkand (0.9%), Namangan (0.8%) and Khorezm (0.7%) regions contributed.

In order to effectively use the state non-residential fund, more than 22,700 lease agreements were concluded for the lease of objects in January-September 2021. As a result, more than 5,000 new jobs were created. Revenues from leasing state property totaled 181.2 billion. amounted to soum.

In terms of regions, the main part of revenues from the rental of state property goes to the city of Tashkent (51.0% of all revenues), Tashkent (7.0%), Andijan (5.1%), Fergana (4.7%) and Samarkand (4.5 %) corresponded to the regions.

In conclusion, it should be noted that our country has created a system of reliable guarantees aimed at strengthening and protecting the rights of private property and ensuring the integrity of legally acquired or created property. The number of entrepreneurs who take advantage of this and lead a prosperous life as owners, who contribute to the development of our country, is expanding, serves the development of the whole country.

RESULTS AND DISCUSSIONS

During the study of the relevance of the topic of this article, the following results were formed:

- as a result of reducing state participation in the economy and giving ample space to the development of private entrepreneurship, it is planned to reduce the number of state-owned enterprises by at least 3 times in 2021-2022, and in 2021 alone, 619 countries worth 4 trillion 500 billion soums the asset is sold;

- accelerating the processes of transformation and privatization of state-owned enterprises, introducing new methods of privatization and ensuring transparency in all its stages is one of the priority tasks of economic reform;

- as a result of privatization of state assets, tax revenue can increase and it can have a positive result in the modernization of enterprises. At the same time, a wider path will be opened for the development of the private sector, an important link in the economy;

- expropriation of property from the state, in addition to privatization, also provides for the creation of other forms of non-state property at the expense of this property, and it is carried out in a number of prescribed ways;

- privatization is an objective process, and it is not a simple reduction of the state sector in the national

economy, but a process that seriously affects the overall economic development;

- there is a high probability of job losses as a result of privatization of large-asset enterprises. This may lead to employment problems. In such conditions, it is necessary to develop a system of social support for the unemployed.

CONCLUSION

Based on the conclusions, the following suggestions were made:

1. Directly applicable in issues such as state property management, privatization and holding auctions in this regard, in addition, meeting the requirements of the time and ensuring that this process is carried out effectively, systematically and on the basis of specific requirements In order to ensure it, first of all, it is necessary to strengthen the legal framework.

2. Although thousands of state-owned enterprises have been privatized, a system that meets world standards has not yet been introduced in the industry. For this reason, it will be appropriate to cooperate with a number of international organizations and experts, and learn their experiences at a rapid pace.

3. It is necessary to attract strategic investors to state-owned enterprises, to expand the activities of enterprises, not limited to the use of existing capacities.

4. It is especially important that investors propose new projects, bring modern knowledge and technologies along with investment.

5. In the announcements issued by Agency for Management of State Assets of the Republic of Uzbekistan, it is also important that the issue of selling or not selling state-owned enterprises is discussed by the public, and regular reporting to the parliament and the public regarding the privatization process and its results is also considered important.

The more impartial the privatization process is, taking into account the interests of the state and the people, the more useful results it will bring for the republic. If officials try to sell state property for their own interests without tenders and auctions or in other illegal ways, this industry will not develop.

We think that these suggestions will be an important solution in the transparent organization and regulation of the evaluation system in the process of privatization.

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