



ANALYSIS OF ECONOMIC SECURITY INDICATORS IN BUSINESS ACTIVITY AND THEIR ASSESSMENT METHODS

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ABSTRACT

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Entrepreneurial activity, which has a significant contribution to the economic development of the country, is constantly supported by the state. In ensuring its economic security, it is important to analyze the economic situation of the activity, to determine the specific indicators of economic security, and with the help of this, to assess the economic security of the business activity. In this article, the necessary indicators for ensuring the economic security of business activity and the assessment of the level of economic risk of the activity are scientifically analyzed.

KEYWORDS. *Entrepreneurship, economic security, risk, financial management, digitalization, business entities*

INTRODUCTION

It is known that entrepreneurship plays an important role in the economic development of any country. The success of this activity largely depends on ensuring its economic security. The rapid development of the market economy on a global scale naturally creates inevitable problems in business activity that affect its economic security. Certain economic risks, if no measures to prevent them are taken in time, naturally cause any flourishing business to face a crisis in a very short period of time (Ermatov A., Akbarov A., 2021). Of course, economic security is one of the important conditions necessary for the stability and success of entrepreneurship.

In Uzbekistan, a number of practical efforts are being made by the state to provide all-round support for business activities, to provide them with favorable business conditions and a competitive environment. Nowadays, the development of entrepreneurship is

considered as an important political action of the state, as well as the basis of the well-being of the population. In this regard, the fact that the meeting of the head of state Sh. Mirziyoev with businessmen operating in our country every year in August has become a tradition, it means how important this field is for the state economy and social life.

In this regard, according to Decree No. PF-5087¹ "On measures to fundamentally improve the system of protection of legal interests of business by the state and further development of entrepreneurship" signed by the head of our state Sh. Mirziyoyev on June 19, 2017 "creation of an effective system of support for business entities, especially during the period of establishing their activities, strengthening guarantees of reliable protection of their rights and legal interests, comprehensive support for rapid development, priority role of private property and entrepreneurship and inviolability, and a mechanism for wide

¹ Decree of the President of the Republic of Uzbekistan No. PF-5087, 19.06.2017 "On measures to fundamentally improve the system of state protection of the legitimate

interests of business and further development of entrepreneurship", 19.06.2017 - <https://lex.uz/acts/-3238384>

involvement of the population in business activities in the districts and cities of our republic” has been developed.

ANALYSIS OF LITERATURE ON THE TOPIC

It is known that economic security in a broad sense means that business activity is protected from external and internal threats. Ensuring economic security is an important factor for the stable operation, competitiveness and development of business entities.

Economists O.Arefiyeva and T.Kuzenko (2005) define the concept of economic security in the field of entrepreneurship based on the state of effective use of enterprise resources and the market potential that allows to prevent external and internal threats, to survive in the market for a long time and to ensure sustainable development.

According to scientist H.Abulkasimov (2006), "Economic security of an enterprise (firm) is a state of protection of vital economic interests from internal and external threats, created due to the system of legal, organizational-economic and engineering-technical measures implemented by the administration and personnel”.

Economist P.Khoshimov (2015) in his scientific views stated that "Entrepreneurial activity security means that the subject of entrepreneurial activity is protected from internal and external threats that lead to economic, legal and other negative consequences at all stages of its operation”.

Economists B.Tursunov, H.Uktamov, M.Sobirova (2022) define the economic security of business activity as "vital economic security created by the system of legal, organizational-economic, financial, socio-economic and engineering technical measures implemented by the business entity, it is a state of protection of interests from internal and external threats", they defined.

Scientist F.Bayboboyeva (2022) stated that "The economic security of small business and private entrepreneurship, based on the optimal ratio of all properties, allows for the stable operation of the entity, adequate response to difficulties and threats, development and improvement". In this context, the economic security of business activity is always important, and it is necessary to be based on constantly updated strategies in the current globalization conditions.

RESEARCH METHODOLOGY

Scientific abstraction, grouping, scientific-analytical and systematic analysis methods are widely used in this article.

ANALYSIS AND RESULTS

Of course, the economic security of business activity has several main elements. One of the most important elements is *the financial stability* of business activity. Stable financial activity, sufficient capital, a high rate of net profit ensure the financial stability of the activity, and also reduce the possibility of facing economic risks. In addition, *the competitiveness of business activities* the higher the indicator, the more it creates a constant demand for its activity in the market. It is important to maintain and constantly increase competitiveness in ensuring the economic security of business activities. Also, the existence of a mechanism *to protect* business entities from various *external and internal economic threats* reduces the possibility of possible risks. In this case, it is necessary to have a specific economic security strategy developed by the business entity and to use this strategy in practice.

Finally, *material and spiritual in business activities* it is possible to ensure the economic security of the activity by *effectively managing its resources*. These include properly organized task allocation to labor resources, regular audit, material and moral support of employees, as well as rational use of material resources.



Figure 1. Basic elements of economic security in business activities²

² Complied by the Author.

It is known that there are several indicators in the assessment of economic security in entrepreneurial activities, which help in determining the economic stability and efficiency of business entities. Among them, the most important are financial, external and internal economic and competitiveness indicators.

Financial indicators include net profit, liquidity ratio, profitability and capital adequacy of business activity, external and internal economic indicators include export and import balance, investment, production efficiency and efficiency of labor resources. The indicator of competitiveness of business activity explains the share of business in the market,

innovative and technological activity (that is, creativity) and the quality of the product and service being developed.

When economic security indicators are determined in business activity, it becomes possible to assess its economic security. It is known that there are several methodologies for assessing the impact of an event on any type of economic activity. Ensuring the economic security of business activities is very important, and at the same time, it is a complex process, in which the importance of any influencing factors is high (Akbarov A., Khomidov I. 2023).

Financial indicators	External and internal economic indicators	Competitiveness
<ul style="list-style-type: none"> • Net profit: The net profit of business entities shows their financial stability. • Liquidity ratio: An indicator that shows the ability of an enterprise to meet short-term obligations. • Profitability ratio: Determines the overall profitability of the enterprise. • Capital Adequacy: An indicator showing the capital adequacy of business entities. 	<ul style="list-style-type: none"> • Export and import balance: An indicator showing the foreign trade balance of business entities. • Foreign debt and investments: An indicator showing foreign debts and investments of business entities. • Production efficiency: An indicator showing the production efficiency of the enterprise. • Employee Efficiency: An indicator of the company's employee efficiency. 	<ul style="list-style-type: none"> • Market share: An indicator showing the total market share of business entities. • Innovative activity: An indicator showing the innovative activity of business entities. • Product quality: An indicator showing the product quality of business entities and the level of consumer satisfaction

Figure 2. Indicators of economic security in business activity³

The reason is that entrepreneurship is a risk-based activity. It also needs to be constantly adapted to market demand. Any seemingly small risk in this process can bring the business to the brink of an inevitable crisis. From this point of view, the need for a comprehensive approach to the assessment of the economic security of business activity emerges. The most traditional economic method in evaluation - *the statistical method*, is important because it always provides important information. The statistical method is widely used in the assessment of economic security. Using this method, various indicators of factors affecting business activity are collected and

analyzed. The statistical method includes the following algorithm:

- ❖ Data collection stage – data necessary for economic security assessment is collected;
- ❖ Data analysis stage – collected data is analyzed and various indicators are determined;
- ❖ The stage of comparison of results - the results are compared with other business entities or the indicators of the current entity in the past period.

³ Complied by the Author.

The statistical method is the simplest method for assessing economic security, and the results are visible on a general scale. *The econometric method* is also widely used in a deeper analysis of the general process of assessing economic security in business activities. Using the econometric method, the relationships between various factors are determined and the main factors affecting economic security are sorted out. The econometric method, in turn, includes the following algorithm:

- Building a model - a mathematical model is built to assess economic security;
- Data input – necessary data is entered into the model;
- Analysis of the results - the results obtained using the model are analyzed and evaluated. The result of the algorithm may not always be correct. The reason is that the result is based on the model we are building. If the model is built correctly and all its parameters are covered, a correct and accurate result will be obtained.

Another common method is *the expert evaluation method*. The method of expert assessment allows to take into account the opinion of experts in the assessment of economic security. Using this method, factors affecting economic security and their importance are determined. The expert evaluation method includes the following algorithm:

- Selection of experts - experts are selected for economic security assessment;
- Conducting a survey - a survey is conducted among experts and their opinions are collected;
- Analysis of results - experts' opinions are analyzed and summarized. As a result, an assessment of the economic security of the activity is achieved based on the opinions of industry experts and experienced entrepreneurs.

Depending on the type of business activity, field of activity, scope and market position, it is natural to use all of the above methods together in a complex manner to help get more accurate results, conclusions and suggestions.

In order to ensure the economic security of business activity, it is necessary to develop various strategies specific to the business entity. The strategy includes measures to prevent possible risks according to the field of activity, actions to be taken when an economic risk occurs, as well as the company's deeper response to the crisis after the risk has occurred. Without entry, the business entity receives a primary and basic plan of action related to self-preservation. Here it should be noted that "risk is a potential or real force, factor, condition, situation that threatens the life activity and development of society, state, economic entity,

individual" (B.O.Tursunov, X.F.Uktamov, M.N.Sobirova, 2022).

When developing a strategy to ensure economic security at the organization level, it is necessary to take into account the following factors:

- Ensuring economic security by strengthening financial management of business entities;
- Maintaining financial stability by optimizing enterprise costs
- Increasing the competitiveness of the enterprise by introducing innovations (Akbarov A., 2023);
- Customer satisfaction and market share increase by improving product quality;
- Management and minimization of economic risks of the enterprise.
- Use of insurance services to ensure economic security of the enterprise;
- Ensuring economic security through effective distribution and management of the company's resources;
- Development of human resources of the enterprise and their effective use.

CONCLUSIONS AND SUGGESTIONS

It is important to ensure economic security in business activities. This article discusses economic security indicators and methods of their evaluation in a scientific-analytical approach. Statistical, econometric, expert assessment and complex assessment methods are widely used in economic security assessment. Each method has its own advantages and disadvantages, with the help of which it is possible to determine the economic security of business entities. At the same time, it is necessary to apply various strategies and measures to ensure economic security. This is important in ensuring the sustainable development of business entities. Ensuring economic security serves to increase the sustainable development, financial strength and competitiveness of enterprises. In this regard, we offer the following proposals for analyzing, evaluating and ensuring the economic security of business entities:

* Business entities should use an integrated, i.e., comprehensive approach to ensuring economic security. This means using different assessment methods together and using them to conduct a comprehensive analysis.

* Business entities must constantly improve their activities and introduce new technologies, production methods and management systems. It plays an important role in increasing competitiveness and ensuring economic security.

* Employees of business entities should pay attention to improving their skills and constantly providing them with new knowledge. This is an important factor in ensuring economic security.

In order to ensure their economic security, business entities must introduce a risk identification, assessment and management system. This allows to minimize financial, production and market risks.

* Business entities should strengthen their financial management in order to effectively manage financial resources and ensure financial stability. This helps to increase the possibilities of obtaining credit and to ensure financial security.

* Business entities can increase their economic security by developing international cooperation and strengthening relations with foreign markets. Through this, it will be possible to increase the export potential and increase the possibility of attracting foreign investments.

* Business entities should pay attention to technological development and implement digital transformation (Ibragimov N., Akbarov A., 2017). It helps to automate production processes and increase efficiency.

In general, in order to ensure economic security in business activities, it is necessary for enterprises to apply a comprehensive and integrated approach, introduce innovations, improve the skills of employees, introduce a risk management system, strengthen financial management, develop international cooperation and pay attention to technological development. As a result, they can ensure sustainable development and competitiveness.

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