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SCIENTIFIC AND THEORETICAL APPROACHES TO CAPITAL MARKET INFRASTRUCTURE

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ABSTRACT
The reliability of the research results is determined by the scientific and theoretical study of the capital market and the development of its infrastructure, the study of foreign experience in this area, the analysis of the development of the capital market and infrastructure in the country based on practical data, the practical testing of conclusions and proposals, and the approval of the obtained results by authorized state administration bodies.
KEY WORDS: *Infrastructure, Theoretical Approaches, Financial Market, Capital Market.*

INTRODUCTION

Today, it is impossible to imagine the world economy, and indeed the economy of each country, without a capital market. The capital market plays an important role in increasing the investment attractiveness of the economies of countries, which stimulates the growth of domestic and foreign investment flows necessary for the development of the economy. The infrastructure of the capital market is of great importance for the effective functioning of the capital market, which provides the necessary conditions for this. In this paragraph, we will consider various scientific and theoretical approaches to the capital market infrastructure in order to study it more broadly.

Refer to The Literature. In his research, the British researcher Shenil Remtohal studied the capital market and defined it as follows: capital markets are financial markets that unite buyers and sellers to trade stocks, bonds, currency differences agreements, goods and securities, as well as other financial assets. Here, buyers are understood as enterprises, states, and individuals seeking capital, while sellers are understood as people or institutions with capital, who, like investors and banks, lend or invest funds. The purpose of capital markets is to provide external financial resources to entities that need financing to expand their activities or increase working capital. Capital markets generate funds by issuing stocks and selling them to the public.

In this case, individuals who want to invest in common and preferred stocks receive dividends, while those who want to receive interest on their investments buy bonds.

Additionally, Shenil Remtohal disagrees with the approach that capital and financial markets are the same concepts, emphasizing the difference between them. In his opinion, financial markets are the place where all trading operations related to financial assets are carried out, while capital markets are the place where financial resources are attracted for the purpose of economic growth or business development in the country. He emphasizes that to better understand the difference between the capital market and the financial market, it is necessary to be closely acquainted with its infrastructure, that is, the infrastructure of the capital market[1].

Another British scientist, D. Rutherford, gave a definition of infrastructure itself, according to which infrastructure manifests itself as sectors, assets, and services that ensure economic and social activity in society. In his opinion, from an economic point of view, infrastructure consists of fixed and long-term assets, such as factories, equipment, buildings, and construction works, which provide the production base of the economy.

Methodology. In the article, information was collected, compared, and absolute changes were used to clarify the theoretical approaches and divide main elements of capital market infrastructure

Theoretical Approaches. Swiss researcher Markus Lesky divides infrastructure into two types: "hard" infrastructure and "soft" infrastructure. In his opinion, "hard" infrastructure encompasses physical assets and

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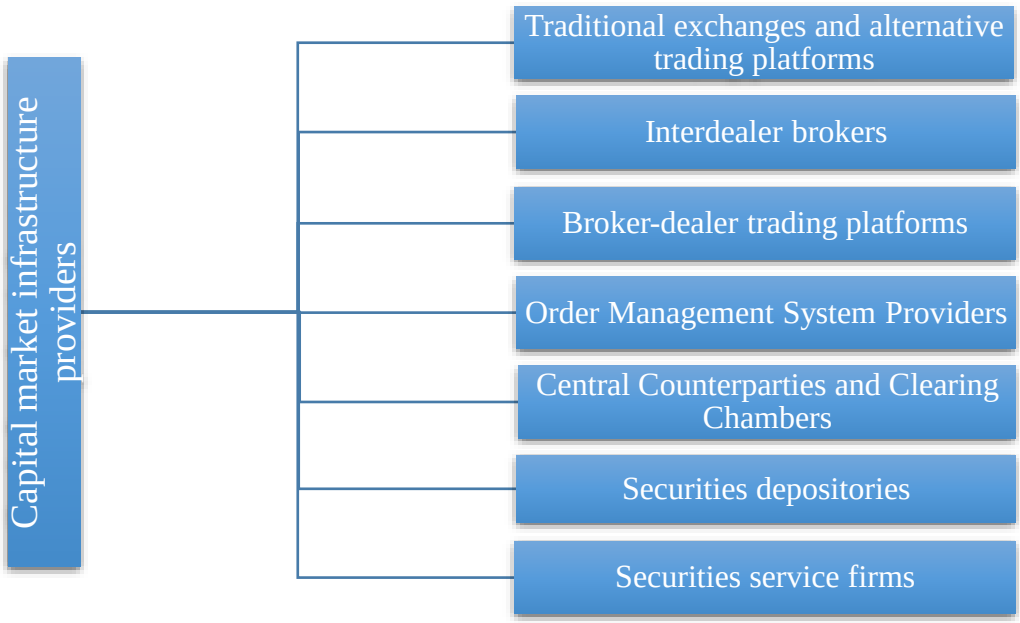
networks that form the basis of a functioning society. Examples of such infrastructure include transport systems, energy networks, water supply networks, and communication infrastructure, which are necessary for economic growth, interaction, and the uninterrupted functioning of societies.

"Soft" infrastructure, unlike "hard" infrastructure, consists not of material elements, but of intangible elements that form economic and social interactions, which include institutions, management structures, education systems, healthcare systems, financial systems, legal structures, and social capital. "Soft" infrastructure establishes rules, norms, and procedures that govern economic activity, stimulate innovation, and create a favorable environment for business growth and the well-being of society. Markus Leskini emphasizes that it is very important to maintain a balance between "hard" and "soft" infrastructures, and such a balance ensures the achievement of sustainable development of society. In other words, "hard" and "soft" infrastructures complement each other in ensuring the sustainable development of society without excluding each other[2].

According to US researchers such as Nandini Sukumar, Siobchen Kleyari, Matias Voyelkel, Markus Rohrik, Roger Raukhana, and Christian Sheeti, the capital market infrastructure includes a global network of organizations engaged in investment management and protection on a global scale, which carry out the execution of transactions, clarify securities positions, carry out settlements for payments, and accept assets for safekeeping. They facilitate the implementation of such functions using secure networks for transactions, communications, data analysis, and value-added services (such as regulatory services and corporate solutions). These researchers also spoke about providers of capital market infrastructure (CMIP - capital market infrastructure providers), which are an integral part of the capital market infrastructure, i.e., providers of capital market infrastructure services, which is shown in Figure 1.1.1.

They emphasize that information services provide an important opportunity for both exchanges and independent firms, which is reflected in information services, ranging from information flows obtained through financial and economic news about market transactions and indices to expanded analytics, which allows obtaining value-added information.

According to Husayn Imad Yasir, a young researcher engaged in scientific research in Russia, an important condition for the functioning of the capital market is the presence of developed market infrastructure institutions that ensure the effective implementation of its functions. He listed the following as components of capital market infrastructure: central bank, commercial banks, exchanges (stock, commodity and raw material exchanges), fairs, auctions and other forms of non-exchange intermediation, customs system, institution of commercial risk insurance and insurance companies, information and technological communications, etc.



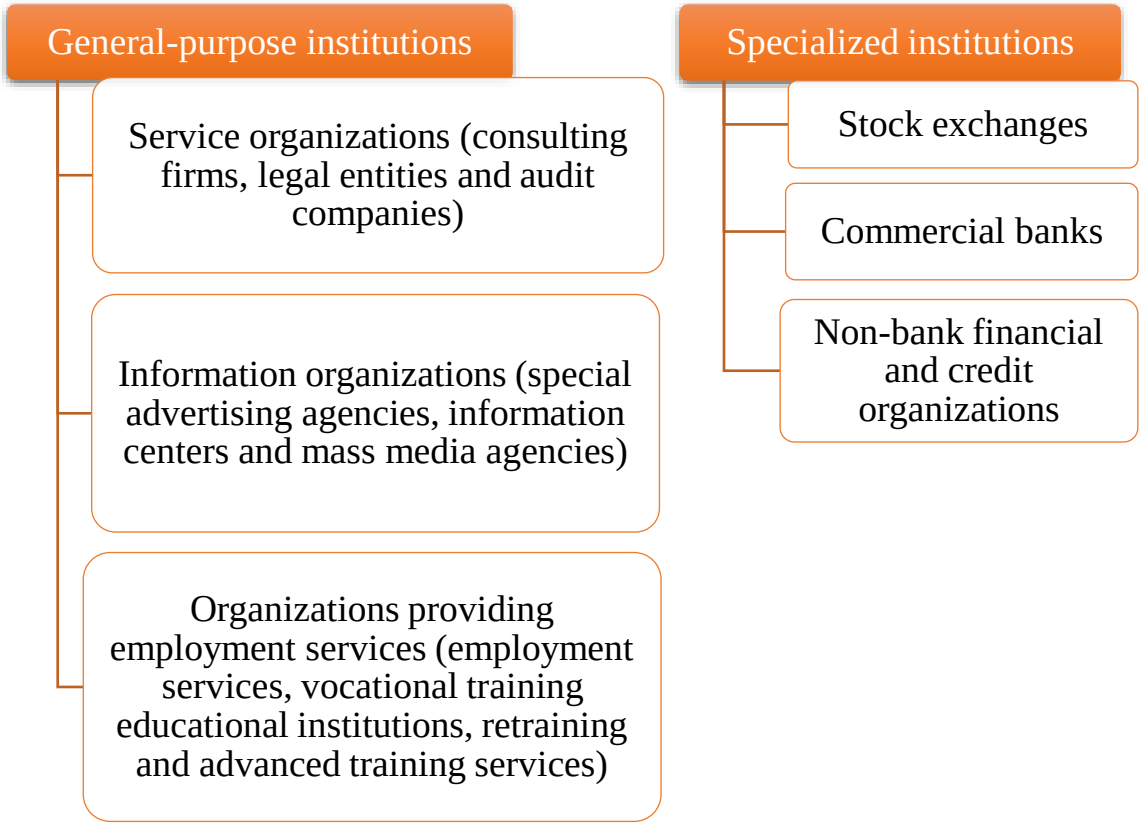
1.1.1 Figure 1.1.1. Capital Market Infrastructure Providers[3].

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According to the Russian economist Yu.V. Zolotov, the capital market infrastructure is the totality of organizational and legal forms, various institutions, and organizations that serve and ensure the functioning of the capital market. The more developed the infrastructure, the more diverse credit institutions there are in the market, and the more diverse the terms of transactions in the capital market, the more developed the capital market will be. Due to the presence of infrastructure, business relationships between capital market entities are carried out in a purposeful manner. In addition, Zolotov Yu.V. notes that the capital market infrastructure includes the following two groups of institutions - institutions of a general orientation and institutions of a special orientation (see Fig. 1.1.2). The activities of general-purpose institutions are usually aimed at performing one or another function in all markets and are created to meet the needs of markets and organizational systems that represent supply and demand. Institutions of a special nature are mainly aimed at carrying out interaction with cash flows.

Zolotov Yu. V. believes that an important element of the infrastructure of the modern capital market is the information component (information networks and flows, as well as the institutions that ensure their functioning). It is precisely the unity of the institutional and informational components that constitutes the internal content of market infrastructure.

According to the Russian economist N. N. Kurochkina, the capital market infrastructure is the link connecting and regulating capital flows between "consumers" and "producers." The concept of capital market infrastructure is diverse, and its essence can be defined as the totality of institutions, organizations, state and commercial enterprises that ensure the normal functioning of the capital market, the interaction between the subjects and institutions of this market, and their effective servicing.



1.1.2 – Fig. Main Elements of Capital Market Infrastructure[4].

N. N. Kurochkina also touched upon the functions of the capital market infrastructure in her research work, which are presented in Table 1.1.1. Kurochkina N. N., like Zolotov Yu. V., recognizes institutions of a general orientation, institutions of a special orientation, and institutions that provide the information component as elements of the capital market infrastructure. Belarusian researcher S.P. Adashkevich, as a result of his research,

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gives the following definition of capital market infrastructure: capital market infrastructure is a set of interconnected institutions operating in the capital market and performing certain functions[5].

More specifically, the capital market infrastructure can be defined as a set of legal forms that mediate capital movement and sales operations, or as a set of institutions, systems, services, and enterprises that serve the capital market and perform certain functions to ensure its normal functioning.

1.1.1.– Table

Functions of capital market infrastructure [6].

1.	Ensuring the fulfillment of the interests of capital market entities
2.	Risk distribution, reduction, and uncertainty reduction by distributing responsibility for risks among organizations specializing in risk management
3.	Ensuring economic and administrative relations between capital market institutions or ensuring legislative relations between capital market elements
4.	Intermediation in the markets of capital market elements or between markets
5.	Facilitate access to capital market products
6.	Stimulating the development of information technologies and communication tools
7.	Ensuring self-regulation of the capital market by changing the interest rate and influencing the supply and demand for capital through competition between supply and demand
8.	Increasing the efficiency and speed of interaction associated with capital turnover and its distribution in the capital market
9.	Coordination of the interaction of elements of the capital market infrastructure, leading to the formation of new institutions - elements
10.	Monitoring of the behavior and conjuncture of capital market entities

Adashkevich S.P. also studied the elements of the capital market infrastructure in his research, which considers 15 elements. Table 1.1.2 shows the elements of the capital market infrastructure proposed by this researcher.

1.1.2.– Table

Main elements of capital market infrastructure [7].

1.	Exchanges (commodity, commodity, stock, and currency exchanges), their organized intermediation
2.	Auctions, fairs and other organizational forms of non-exchange intermediation
3.	Credit system and commercial banks
4.	Emission system and emission banks
5.	Information Technologies and Business Communication Means
6.	Tax system and tax inspection
7.	Commercial business risk insurance system and insurance companies
8.	Special advertising agencies, information centers and media agencies
9.	Chambers of Commerce, other public, voluntary and (state) economic associations
10.	Customs system
11.	Shopping and exhibition complexes
12.	System of higher and secondary economic education
13.	Auditing companies
14.	Consulting companies
15.	State and public funds for stimulating business activity

Local economist M. Shokirov, based on the close connection and similarity between the capital market and the financial market, expressed his opinion on the role of financial infrastructure in supporting the financial market. In his opinion, financial infrastructure represents a set of organizations, tools, and technologies that ensure the functioning of the financial system, including banking institutions, stock exchanges, payment systems, investment funds, insurance companies, rating agencies, regulators, and other participants in the financial market, as well as relevant legal, technical, and information systems.

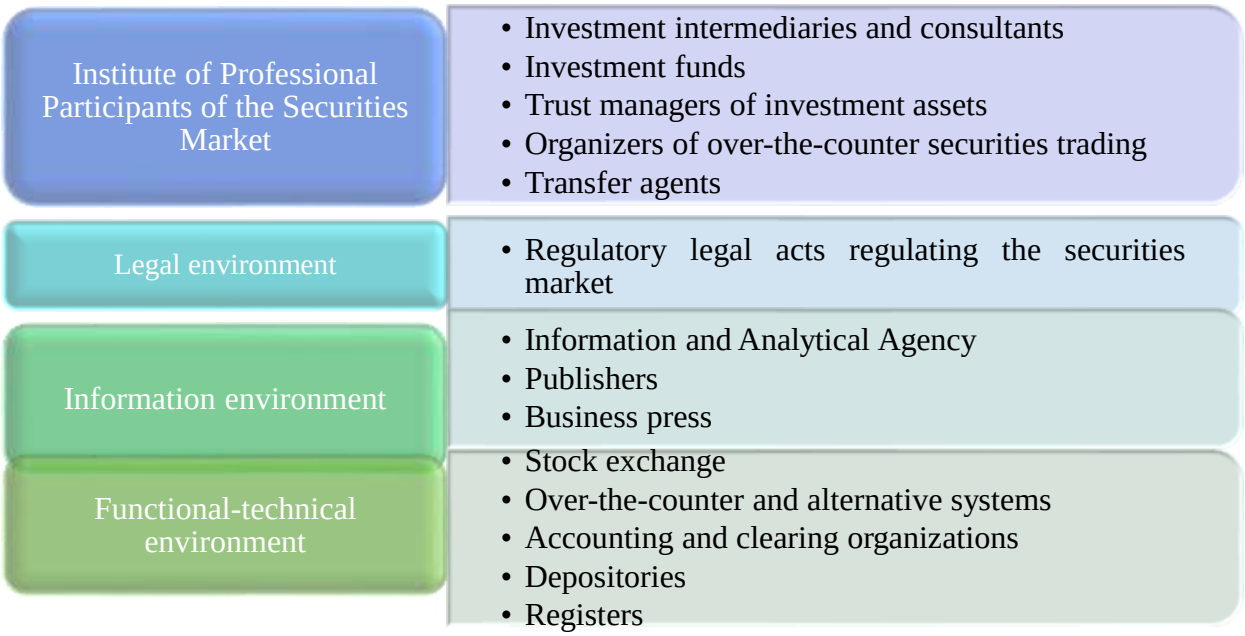
According to the conclusion of M. Shokirov, the creation and support of the financial market is one of the main functions of the financial infrastructure, which, in turn, indicates that the functions of the financial market are further increasing the availability of capital for enterprises and investors, ensuring the liquidity and efficiency of trading in financial instruments, as well as the formation of prices for these instruments. If the creation of financial markets is carried out at the initiative of the government, a regulatory body, or commercial organizations, then

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their support is carried out with the help of various measures, such as monitoring and regulating the activities of market participants, ensuring the stability and predictability of the economic situation, creating the necessary conditions for the development of market infrastructure, and increasing access to information for all market participants [8].

Local researcher L.S. Kariyeva, recognizing the securities market as an important part of the financial market and, accordingly, a market inextricably linked with the capital market, concludes that the infrastructure of the securities market is understood as a set of elements that ensure its effective functioning. In his opinion, the securities market infrastructure should ensure the free circulation of funds and securities, their high liquidity, free and equal access to information for all participants of the securities market, professional support from specialized organizations, protection of the rights and interests of securities market entities, as well as the development of competition.

Also, L. S. Kariyeva proposed her own development on what the components, that is, the elements of the securities market infrastructure should be, which is reflected in Figure 1.1.3. He noted that all elements of the securities market infrastructure complement each other and together ensure its effective functioning[9].



1.1.1 – Fig. Components (Elements) of the Securities Market Infrastructure[9].

Domestic researcher A.J. Khodzhamurodov, considering the stock market as an integral part of the capital market, believes that the infrastructure of the stock market is a complex of separate and independent systems and structures operating on the basis of the laws and rules of the stock market, which is a condition for the effective functioning and existence of the stock market. He emphasized that the stock market infrastructure depends on investment activity, which indicates its important role in the sustainable development of the economy and improving the living standards of the population[10]. Another local researcher, Shamsiev U.S., in his research, also comes to the following conclusion about the stock market infrastructure: the stock market and its infrastructure are special organizations that serve operations with financial assets, carry out control and settlements for such operations, account for and manage rights to financial assets, as well as collect, store, and provide information necessary for the effective functioning of the financial market[11].

Conclusion. In general, both foreign and domestic scientists and researchers of the CIS countries regularly study the infrastructure of the capital market in their scientific research and works. If you have noticed, domestic scientists and researchers, unlike foreign and CIS researchers, have studied not the infrastructure of the capital market itself, but the infrastructure of the financial market (financial infrastructure), the infrastructure of the securities market, and the infrastructure of the stock market, which are closely related to it and replace it. This shows that the infrastructure of the capital market in our country is one of the problems that has not yet been fully studied.

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