

Eurasian
Research Bulletin



Risk in the economic system and its characteristics

Fayziyev Orifjon Olimovich

Independent researcher at Tashkent
State University of Economics

ABSTRACT

This article examines the methodological foundations of tax risk assessment and management in the tax system. The issues of improving tax administration in the digital economy and analyzing taxpayers' activities based on a risk-oriented approach are discussed. The article considers the criteria for identifying tax risks and models for their quantitative assessment, and puts forward proposals to improve the effectiveness of risk management in the tax system of Uzbekistan.

Keywords:

tax revenues, risk analysis, risks, efficiency, digital platform, methods and tools, advanced information and communication technologies, analysis, optimization, tax incentives, tax rate.

Introduction. Today, global changes in the world economy and the process of digitization of the state financial system are placing new demands on the tax administration. The stability of the tax system and the completeness of budget revenues directly depend on the correct assessment of tax risks and their timely elimination. One of the priority areas of the tax reforms being implemented in the Republic of Uzbekistan is the full introduction of a risk-oriented approach to the tax control process. The tax risk assessment methodology serves not only to reduce the state's financial losses, but also to create a favorable business environment for honest taxpayers. Because this system allows you to reduce inspections and focus on "undisciplined" entities with a high probability of tax evasion. However, today the issues of improving mathematical and statistical methods for identifying tax risks, using the capabilities of artificial intelligence, and adapting international experience to national legislation still remain relevant. This article aims to explore these methodological gaps and

provide scientific and practical recommendations for developing the field.

Analysis of literature on the topic.

In the economic system, all economic entities operate on the basis of a certain order, rules and laws. These order, rules and laws require the entities to adapt to the laws of nature and society, act taking into account their characteristics, and conduct economic activity based on the study of their internal content. The objective and subjective laws of nature and society require humanity to study unexpected situations in it. In particular, the fact that people unite and carry out economic activity - organize enterprises and carry out economic activity - requires them to face various: social, social, economic, technical, natural, political risks. While humanity itself takes measures to avoid various natural risks in its way of life and reduce their impact, on the other hand, it also tries to create methods to reduce the impact of these risks on its life.

In economic activity, it is also necessary to classify the factors that cause such various possible risks. In fact, it is advisable to divide the

risks themselves into two groups. The first group is natural and technical problems that are difficult to assess in advance, and the management of such risks and the prevention of their negative consequences depend on the level of science and development. Although it is possible to identify social risks, the level of their consequences is much higher than natural, technical and economic risks, and it is much more difficult to eliminate them. Economic risks, although they are considered social in nature, are somewhat more difficult to assess, identify the factors of their origin, and manage, but they are much softer than natural risks. It should not be forgotten here that the complex objective laws of the economy and the form and content of economic relations make it difficult to assess economic risks. This requires the study of the most optimal methods of managing economic laws and relations.

The scope of these studies also includes the continuous study of financial and economic risks. Therefore, the existence of the concept of risk requires the recognition of natural, social and technical processes that negatively impede the smooth flow of natural, social and economic processes, and its content must be understood in this way.

If we look at the scientific and educational literature on economics, they express the concept of risk in the same context as the concepts of "danger" and "hazard". According to some economists, "if we pay attention to the

theoretical aspect of these terms, despite the fact that these concepts seem to be interconnected, they have different, dissimilar meanings in terms of their economic content and significance, they reflect different aspects and facets of the production process. It is inappropriate to consider concepts such as "risk" and "risk" as concepts with the same meaning, risk is primarily a factor that causes danger, risk, loss and damage or profit, and reflects the content of these economic concepts. It is an economic category with an objective nature based on uncertainty, serving as the initial source of risk, risk, risk, loss and damage or profit in the activities of enterprises and their occurrence. This is due to the fact that the decision made by the manufacturer is subject to several unpredictable and unpredictable factors. "In fact, in agreement with the views of this researcher and many other similar economists, it is appropriate to evaluate the concept of risk as an intermediate state that leads to the emergence of risk. In this sense, while risk is an intermediate process (event) that leads to negative consequences, risk is a resulting state.

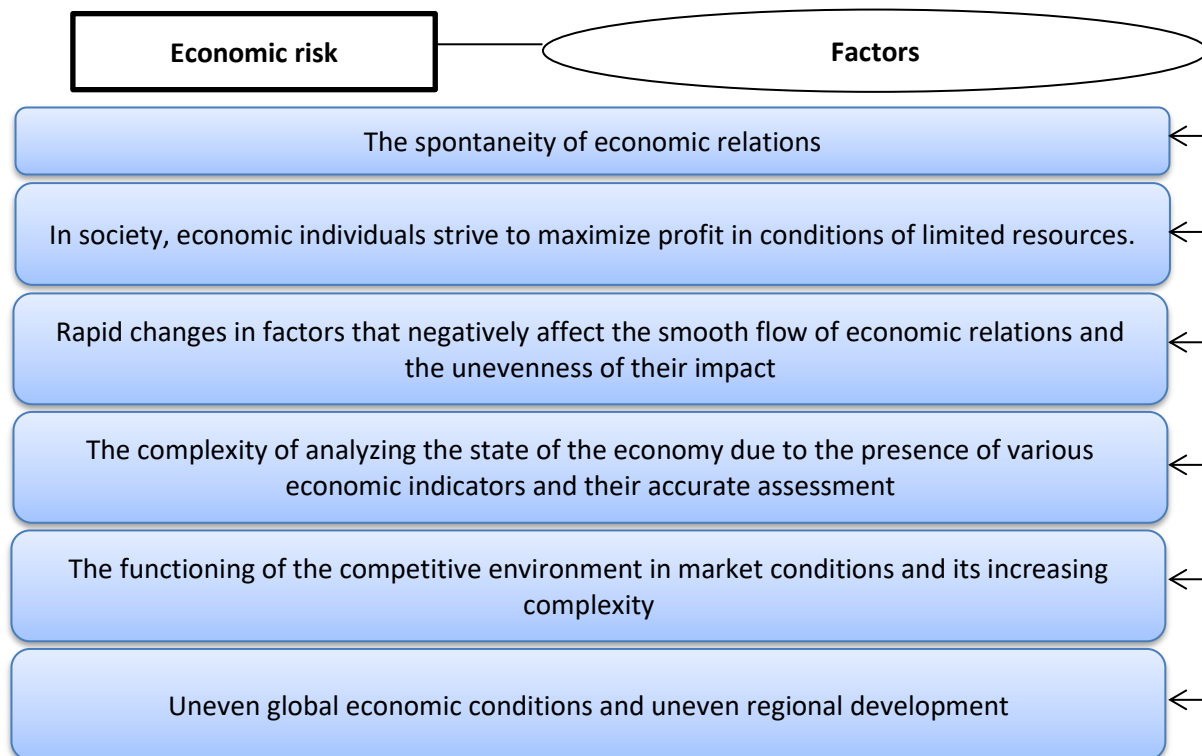
As can be seen from Table 1 below, most economists describe risk as a situation that affects the final outcome of entrepreneurship, a factor that negatively affects human life, and the risk of not receiving a profit. According to F. Knight, "Risk is a measurable uncertainty."

Table 1.

Scientific approaches to the socio-economic interpretation of the concept of risk¹

Nº	Author (s)	Definition Content
11	A.O'lmasov	Business risk is the probability of the firm's own profit and even its capital being separated
22	Y.Abdullaev va b.	Interest rate risk is the risk of loss as a result of changes in the level and movement of interest rates
33	Sh.Shodmonov, R.Alimov, T.Jo'raev	Entrepreneurship (entrepreneurial activity) is an economic activity carried out by legal entities and individuals under property responsibility, within the framework of existing laws, with the aim of obtaining income (profit), with risk
	F.Nayt	Risk is a measurable uncertainty

¹ Ilmiy adabiyotlar tahliliga asoslanib, muallif tomonidan tuzilgan.



44 .	https://staff.tiame.uz/storage (Internet information)	Under certain conditions, a threat is called a phenomenon, event, process, object, etc. that directly or indirectly adversely affects human life and health.
55 .	https://davaktiv.uz/uz/menu/korrupsiyaga-arshi-kurashish-bjicha-idoravij-uzhzhatlar (Internet information)	The possibility and risk of committing corrupt acts in pursuit of corruption risks and benefits

If we pay attention directly to the essence of risk, in the search database "Wikipedia" we can see the following characteristics: "risk is a characteristic of a situation that leads to uncertain consequences, in a narrow sense risk is a quantitative assessment of the dangers, the frequency of one event with the occurrence of another, risk is the probability of unwanted loss of something under adverse conditions, risk is the probability of a hazard getting out of control and the severity of its consequences, expressed in the degree of its manifestation".

If uncertainty about future events is an event, then the category of "risk" allows us to sum up a certain expected unpleasant event (situation) in two ways - the probability of its occurrence and the amount of possible damage.

Figure 1. Economic risk factors ²

In its place, although risk takes different forms, its economic types are considered important for us. In this regard, "risk is an uncertain event or situation that, if it occurs, will have a positive or negative impact on the company's reputation, leading to monetary gains or losses, risk is a multiple of the

² Muallif ishlanmasi.

probability of loss. If the object of risk is an indivisible object of investment (in particular, capital invested in finance), then all receipts can be characterized by the level of risk if all receipts are perceived as profits (the necessary perception of the rates of return on capital, etc.). Risk (from the Latin *resecō* "cut; reduce" or from another Greek word *ῥιζικόν* "danger") is a combination of the probability of occurrence of adverse events and their consequences (in terms of calculation - the product)³.

Several sources of uncertainty, including economics, politics, government policies, pandemics, and geopolitical conflicts, affect the formal and informal economic environment. Economic risk directly affects corporate strategies, business, and individual decisions. As economic risk increases, the information gap widens, and future cash flows become more volatile. As shown in Figure 1, economic risk factors can be diverse. In order to understand the nature of risks in the economic system, we believe that its roots should be sought in the complexity of economic relations. Because, firstly, economic relations are very spontaneous in nature, and their management entails certain risks; secondly, the pursuit of maximum profit by economic individuals in society in conditions of limited resources occurs within the framework of risks; thirdly, the operation of a competitive environment in market conditions and its increasing complexity in itself increases risks; fourthly, the rapid change of factors that negatively affect the smooth flow of economic relations and the unevenness of their impact create economic situations such as risks in the economy; fifthly, the existence of various economic indicators for analyzing the state of the economy and the complexity of accurately assessing them create risks; sixthly, the uneven conjuncture of the world (national) economy and the uneven development of regions lead to the existence of economic risks of varying degrees in the economy.

In essence, economic risks are the degree of negative impact of emerging risks in the economic sphere, and in order to more fully determine their essence, we consider it methodologically correct to distinguish their characteristic features. One of the characteristics of economic risks is their risk-based nature. As recognized in many literatures, risk is the action that occurs as a result of economic decisions of economic individuals, which ultimately lead to risks, as we noted above, risks are economic conditions and processes that have an impact. Another important feature of economic risks is that they conflict with the interests of economic individuals.

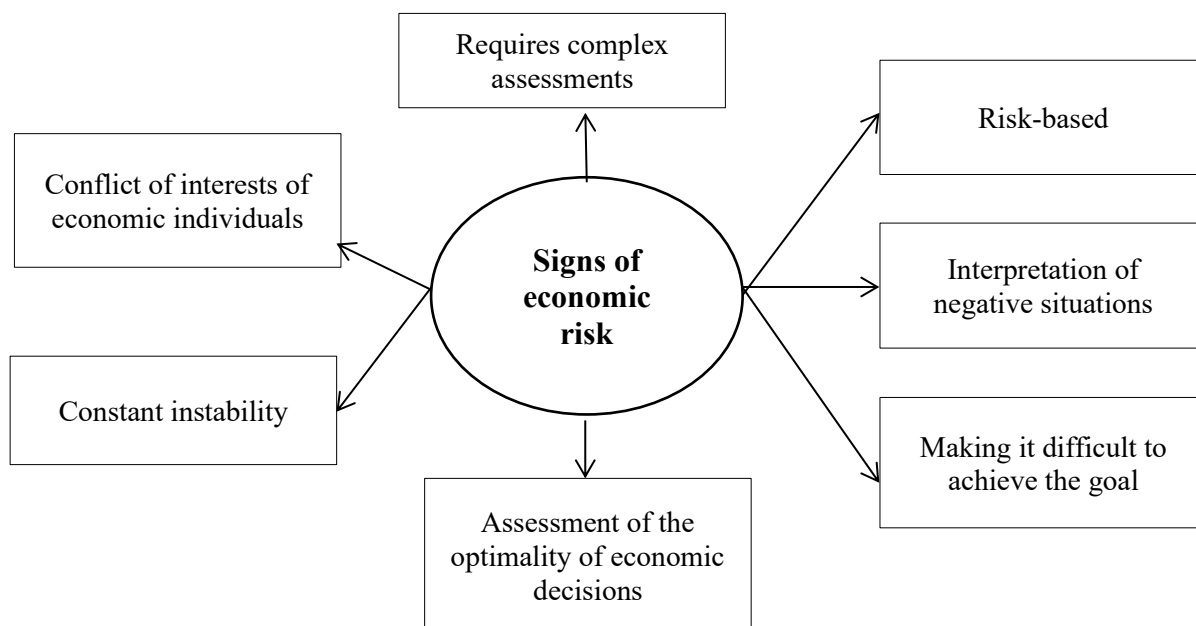


Figure 2. Signs of economic risk ⁴

Risks always intersect with interests, which does not correspond to the main interests of

³ <https://ru.wikipedia.org/wiki>.

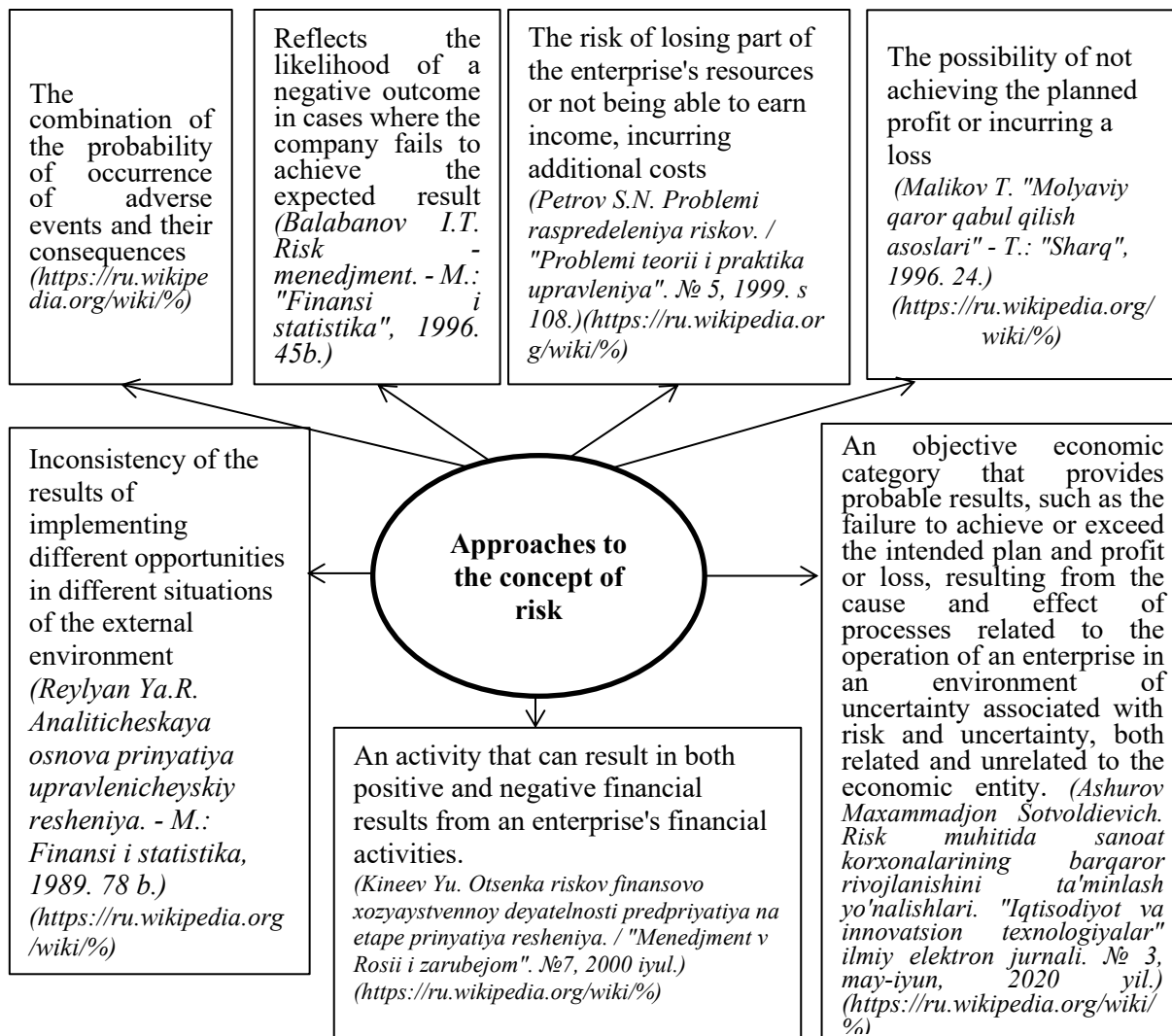
⁴ Muallif ishlanmasi.

those engaged in economic activity. In addition, another characteristic that reveals the essence of economic risks is that they are always unstable, in this respect it is necessary to evaluate them, which is an important characteristic. Economic risks make it difficult for those engaged in economic activity (legal entities and individuals) to achieve their goals, which indicates their extreme complexity, which means that they evaluate the optimality of their economic decisions, which, in turn,

express important characteristics of economic risk. (See Figure 2)

As we have noted above, in understanding the essence of economic concepts or relationships, we consider it essential to analyze the content of scientific approaches to these concepts within the framework of scientific research. Based on this, we will try to consider some scientific works in which the concept of risk is given. (See Figure 3)

Figure 3. Approaches to the concept of risk ⁵



In his article "Directions for ensuring the sustainable development of industrial enterprises in a risk environment", Uzbek economist M. Ashurov defines "risk as an economic category that is a reality that can turn into the possibility of certain quantitative and qualitative damage in the socio-economic processes of the development of society and in technical production, which does not have a clear solution," and also emphasizes that the specific elements of risk, including probability, inevitability, resistance, complexity, alternation, variability, and spontaneity, are of particular importance.⁶ tried to explain its essence. Another source says that "risk is the probability

of any adverse event that will lead to direct or indirect losses for the company"⁷ defined as "a continuous and cyclical process that is part of an organization's governance aimed at identifying potential events that could affect the achievement of an organization's objectives, managing the risks associated with such events, and monitoring the organization's risk appetite."⁸ it is estimated that.

In addition, Russian scientist V. Usoskin defines risk as a process that always comes with uncertainty and, in turn, is associated with unpredictable or impossible events, while Anna Viktorovna Tyutyugina, a scientist who has conducted extensive research on risk relations,

⁵ Ilmiy adabiyotlar asosida muallif tomonidan tuzilgan.

⁶ Ashurov Maxammadjon Sotvoldievich. Risk muhitida sanoat korxonalarining barqaror rivojlanishini ta'minlash yo'nalishlari. "Iqtisodiyot va innovatsion texnologiyalar" ilmiy elektron jurnali. № 3, may-iyun, 2020 yil

⁷ Положение об управлении рисками. ОАО «интер ПАО ЕЭС. 4-5 стр.

⁸ Qarang: O'sha manba.a

defines risk as "an action aimed at an attractive goal, the achievement of which is associated with the presence of an element of risk, the threat of loss or the threat of failure"⁹ S. Dyatlov defines risk as "a characteristic of the process of choosing between action and inaction or another action, associated with the possibility of falling into a worse situation as a result of the choice"¹⁰ In this case, risk is considered as a certain process of choosing one of several options, a kind of voluntary decision of the risk subject. A.Yu. Che and A.G. Ivanyan, on the other hand, understand risk as "the risk of unexpected loss of expected profit, income or property, money, other resources due to the occurrence of uncertain losses, random changes in the conditions of economic activity"¹¹.

Some economists, including F. Filina, have tried to explain the essence of entrepreneurial risk. In his opinion, "in the system of entrepreneurial risk, depending on the environment and sources of risk, it is traditionally divided into political,

financial and production risks. At the same time, researchers consider tax risk, as a rule, as a part of financial risks, which can be assessed in monetary terms, and money is the material basis of financial relations. In addition, tax relations are part of financial relations"¹². V.M. Granaturov, on the other hand, thinks about financial and political risk differently from F. Filina and defines it as follows: "risk in financial business means the risk that arises when conducting financial business or financial operations based on the use of currency or securities or cash as a commodity, which traditionally includes three groups of financial risks, namely market, credit and investment risks"¹³. This author defines political risk as "the result of the verification of state policy, which is the occurrence of losses or a decrease in the volume of profits. Thus, political risk is associated with possible changes in government activities, changes in the priorities of its activities"¹⁴ brings.

⁹ Тютюгина Анна Викторовна. Оценка и минимизация налоговых рисков, связанных с планированием и проведением выездных налоговых проверок. Диссертация на соискание учёной степени кандидата экономических наук. Иркутск -2013. стр 32, Романов В. С. Рискообразующие факторы: характеристика и влияние на риски /В.С. Романов, А. Бутуханов // Моделирование и Анализ Безопасности, Риска и Качества в Сложных Системах, СПб. : НПО «Омега», Ульяновский Государственный Университет. - 2001. стр

¹⁰ Дятлов С.Г. Планирование налоговых рисков при оценке стоимости строительства в подрядной организации : дисс. ... канд. экон. наук : 08.00.05, 08.00.10 / Дятлов Сергей Григорьевич. - Норильск, 2008. – стр 29.

¹¹ Че А.Ю., Иванян А.Г. О налоговых рисках / А.Ю. Че, А.Г. Иванян // Налоговый вестник. - 2007. - № 10.,

Тютюгина Анна Викторовна. Оценка и минимизация налоговых рисков, связанных с планированием и проведением выездных налоговых проверок. Диссертация на соискание учёной степени кандидата экономических наук. Иркутск -2013. 36.

¹² Тютюгина Анна Викторовна. Оценка и минимизация налоговых рисков, связанных с планированием и проведением выездных налоговых проверок. Диссертация на соискание учёной степени кандидата экономических наук. Иркутск -2013. стр 34, Филина Ф.Н. Анализ налоговых рисков / Ф.Н. Филина // Российский бухгалтер, 2007, №11 стр 62.

¹³ Гранатуров В.М. Экономический риск: сущность, методы измерения, пути снижения / В.М. Гранатуров. - М: Дело и Сервис, 1999. –стр 46.

¹⁴ O'sha manba. 50 b.

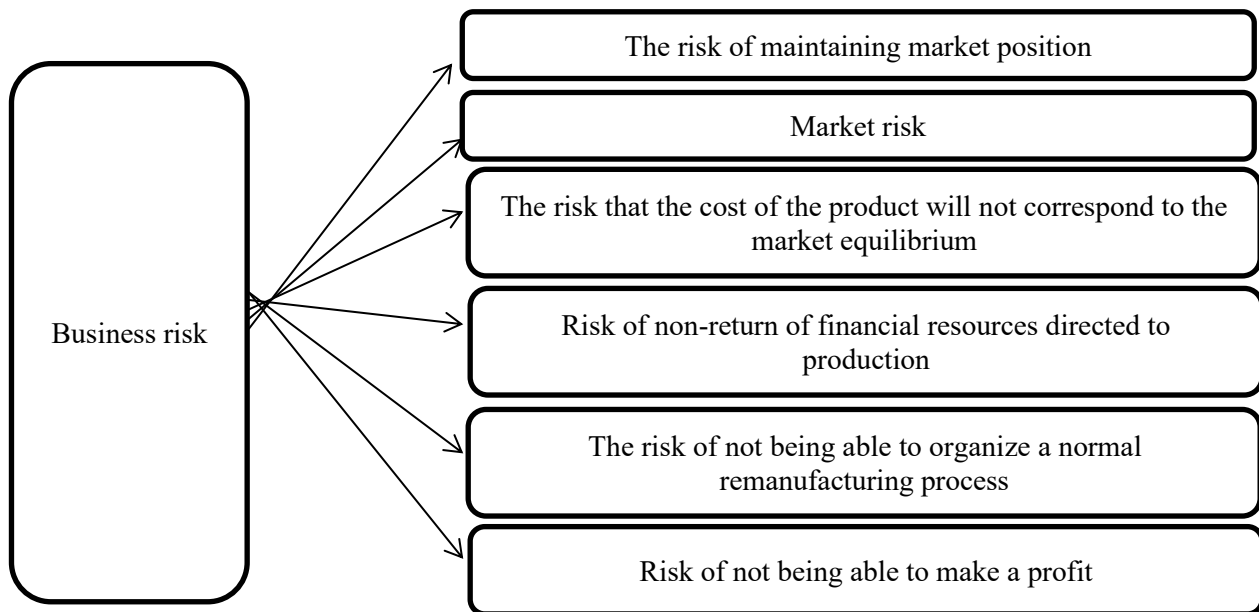


Figure 4. Business risk ¹⁵

It should be noted that among the risks, entrepreneurial risk has its own complexity and characteristics. First of all, entrepreneurial activity is carried out in a complex competitive environment, in conditions of uncertain market relations, which creates a lot of risks in this regard. As shown in Figure 4, entrepreneurial risk includes risks such as maintaining a market position, finding a market, and not being able to make a profit. The level of entrepreneurial risk, on the one hand, depends on external factors, and on the other hand, depends on the entrepreneur's economic policy, his knowledge and skills, compliance with market laws, and national laws adopted in society.

Professor T. Malikov, an Uzbek economist, said: "Risk is a danger or a set of dangers that may arise as a result of changes in various factors during the course of an activity" ¹⁶ along with giving the definition, he explains the essence of entrepreneurial risk and expresses the following opinion: namely, "to understand the nature of entrepreneurial risk, it is of utmost importance to study the relationship between risk and profit. An entrepreneur shows a willingness to take risks in conditions of uncertainty, because along with the risk of loss,

there is also the possibility of additional income. However, it is clear that an entrepreneur is not guaranteed to receive profit, he can receive both profit and loss as a reward for the time, effort and skills he has invested" ¹⁷ this is quite reasonable, because avoiding economic loss is one of the main issues underlying entrepreneurial risk.

It is worth noting that this author tried to reveal the essence of risks more broadly and described them much more simply and conveniently. The author notes that "risk, chance, event, competition are constant companions of business, some take risks with investments in work, others with their property, here a certain risk is not only permissible, but also necessary, the presence of entrepreneurial risk is, in essence, the reverse side of economic freedom, that is, a kind of compensation for it" ¹⁸ is.

Conclusions and recommendations.

Based on the above, we would like to present our own author's approach to the concept of risk in this section of our research: Risk is a socio-economic and social situation that, based on the objective laws of nature and society, the content of the organization of social life, affects the harmonious course of people's lives, the

¹⁵ Muallif tomonidan tuzilgan.

¹⁶ T.S. Malikov. Moliya: amaliy jihatlari (o'quv qo'llanma). – T.: «Nihol print» OK, 2022. – 332 b.

¹⁷ T.S. Malikov. Moliya: amaliy jihatlari (o'quv qo'llanma). – T.: «Nihol print» OK, 2022. – 320 b.

¹⁸ O'sha manba. 342 b.

compliance of economic relations with the interests of humanity, and prevents the achievement of the main goal. It is advisable to increase the effectiveness of tax control by widely introducing risk-based approaches to controlling taxpayer activities, developing digital tax control tools, and strengthening information exchange between tax authorities and taxpayers.

Adabiyotlar/Literatura/Reference:

Ўзбекистон Республикаси Солиқ кодекси-
Тошкент: Ғафур Ғулом нашриёт уйи 2020.-
640 б.