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A. Karimov

Tashkent Institute of Finance

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A.I.Karimov
Tashkent Institute of Finance

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Abstract. This article focuses on the experience of attracting free funds of the population in the development of the securities market in developed countries, the existing opportunities and challenges, as well as the economic content of this process. In developed countries, we can see assets purchased from the stock markets as the main income of business entities and individuals - company shares, bonds, cryptocurrencies, options and other financial instruments. The main focus of investors participating in the stock market is the securities of companies operating in countries such as the United States, Japan, the United Kingdom and China, and the development trend of the capital market in this country.

Keywords: stock market, stock market, financial asset, shareholder, market quotation, stock market capitalization.

Introduction

One of the main goals of any state is to increase the well-being of its citizens - the population and reduce poverty. To do this, first of all, it is important to create all the conditions for people to increase their income with their hard work and intelligence and to strengthen financial literacy.

Research in this area shows that in countries such as the United States, Japan, and the United Kingdom, the accumulated amount of financial assets relative to family income is larger than in Canada, Germany, France, and Italy. The leader is the United States, where by the end of 2000 the accumulated volume of financial assets exceeded the value of current income by five times. Germany at the lowest level -
three times. The leading role of the United States and Japan is primarily related to the mobility and effective use of the mechanism of attracting investment resources (including housing) available in these countries[1]. All of this has contributed to economic growth and consequently the growth of the population’s income.

In developed countries, we can see assets purchased from the stock markets as the main income of business entities and individuals - company shares, bonds, cryptocurrencies, options and other types of financial assets. Research has also shown that in developed countries, investment resources are directed to the sphere of exchange - the financial market - which has different views, in particular, the stock market. Therefore, the stock market is one of the main components of the financial market. In addition to the above definitions, according to another view of our economists: securities are products created by issuers and bought by investors, as a rule, through investment intermediaries - institutions that perform the functions of relations between investors and issuers. The security confirms that the capital of the investor (individual or legal entity that provided the funds) has been transferred to the issuer (the person who issued the securities) and has given the owner the right to receive certain income[2].

**Literature review**

There is a degree of involvement of financial resources in the stock market directly related to the attraction of direct investment. Economists Scott B. Smart, Lawrence J. Gitman, and Michael D. Joehnk have conducted research on the stock market, capital markets, and investments, citing financial assets such as stocks, bonds, and options that represent demand for the issuer's resources[3]. Here we can explain the demand for large investors: individuals, large corporations, investment funds, insurance funds to buy securities of profitable companies for profit.

The basics of the development of the securities market through the attraction of free funds of the population, the stages of development of stock markets and the evolution of the attraction of free funds to it, the scientific-theoretical, methodological aspects of foreign economists: David P.Stowell[4], Brian Bruce, Jason Greene[5], Andrew Aziz[6], Kevin J. Davey[7], Steven M. Sears[8], Vaqar Zuberi, Arshad Khan[9] extensively covered in their research work. Also from economists Nihat Aktas, Kathleen Andries, Ettore Croci, Ali Ozdakak[10] researched development of the securities market and financing of IPOs in it, Wahbeeah Mohti, Andreia Dionisio, Isabel Vieira, Paulo Ferreira[11] researched on regional and global integration of the Asian stock market, Byomakesh Debata, Saumya Ranjan Dash, Jitendra Mahakud[12] have conducted research on the factors that allow investors to quickly search the stock market, which is expected to have high liquidity and high level of profitability. From CIS countries A.A.Kilyachkov, L.A.Chaldaeva[13] shows in owns research on the stock market and stock exchange activities, V.A.Galanova and A.I.Basova [14] described the general structure of the stock market in their research.

**Research methodology**

Scientifically, there are several research methods in the article while analyzing development of the securities market and its issues. It can be seen that induction,
deduction, comparative analysis, trend analysis, abstract and other methods are used in the research.

**Analysis and results**

An analysis of data from the last 20 years based on data from the World Bank shows that we can observe the highest levels of the total value of stock transactions by stock exchanges in 2007 (US $ 88.4 trillion) and 2015 (US $ 99.8 trillion). We can also see that these changes are related to the volume of investments (Figure 1).

The decline in the price of "mortgage bonds" in the US stock market led to the onset of the global financial and economic crisis in 2008, a decline in investment and stock prices. A number of researchers have expressed their views on this situation[15]. We can consider the change in foreign direct investment and stock trading on stock exchanges over the years (Figure 1).

![Figure 1. World GDP, foreign investment and stock trading, trillion. U.S. dollars[16]](image)

The GDP of the countries is growing from year to year. This figure was 33.6 trillion worldwide in 2000. US $ 87.3 trillion by 2019. We can observe an increase of USD or about 2.5 times. The decline in GDP growth in 2009 ($ 60.3 trillion or -5.18%) was accompanied by a decrease in share sales ($ 62.9 trillion or -24.94%), while in 2015 the gross domestic product was $ 75.1 trillion. The sale of shares in the stock market decreased by 5.29% to 99.8 trillion US dollars. USD or -41.6%, but in the next period we can observe the opposite of this link.

In the economies of developed countries, it is important to increase the efficiency of foreign direct investment and direct them in the right direction. An increase in stock sales and investment flows is an interrelated process. The volume of foreign direct investment in the world in 2007 amounted to 6.3 trillion. USD, and in 2018 this figure will reach 2.3 trillion. USD.

It should be noted that the constant negative or positive change in the stock market is greatly influenced by the confidence of investors in the assets in this market. We can observe a negative trend in stock trading in the stock market during 2001-2004, 2008-2009, 2012, 2016-2019. The reasons for this are the financial, economic, political and social crises in society and the restrictions imposed by trade wars between countries.
A distinctive feature of the modern investment process is the change in priorities in the sources of obtaining temporarily vacant funds. Among the investment institutions, the leading role is played by pension and investment funds, which perform socio-economic functions in any state economy, ie insurance companies, households, ie those that raise funds and make long-term investments[17].

In the stock market, the level of trading in the stock market is related to the level of capitalization of the companies participating in it. The total capitalization of the stock market is equal to the sum of the capitalizations of the participating companies over a period of time (usually one year). According to the World Bank, the countries with the largest market capitalization are the United States, China and Japan (Figure 2).

![Figure 2. Capitalization of stock markets in the countries, trillion. USD (for 2016-2018)[18]](image)

The role of existing large transnational corporations in the development of the stock market is enormous. In particular, we know that all major multinational corporations have started operations in the above 10 countries and are now considered to have large capitalizations. Accordingly, foreign and domestic investors mobilize their investments in these companies for profit. From the chart above, we can see that the stock markets in the countries in 2017 were significantly higher than the previous period, but at the end of 2018, we can see that this figure is in a negative position.

The United States ranks first among developed countries in terms of the level of activity of the population in the stock market. One in two citizens has securities in banks. The most common asset in the U.S. stock market is stocks of companies. Analyzing stock trading on the U.S. stock exchange over the years, we can see that this market has a high degree of volatility (Figure 3).
Figure 3. Shares in the United States, trillion. US dollars (USA, Stock market value traded, current trillion of U.S. Dollars)[18]

Stock trading in the stock market is a convenient and profitable asset for investors. In the U.S., the stock market traded $2.03 trillion in 1990. 30 trillion in 10 years. USD or 15 times. The highest level of this figure is 47.24 trillion. The U.S. dollar was achieved in 2008. The main reasons for this were the activation of shareholders in the market due to the financial and economic crisis (investors put up a large number of shares for sale). Looking at the stock trading indicators, there was a steady growth trend in 1990-2000, 2004-2008, 2013-2016. In the U.S., the figure was $33.02 trillion in 2018, down 17.5 percent from a year earlier, according to The Global Economy’s official stock market data.

The People's Republic of China has its own model, recognized by the world, for its scale and efficiency of economic development. Analyzing the stock market of this country, the level of stock trading on stock exchanges increased 400 times between 1995 and 2018.

Figure 4. Stock trading in the People's Republic of China, trillion. U.S. Dollars (China, Stock market value traded, current trillion of U.S. Dollars)[18].

Shares in the stock market in the People's Republic of China in 1995 amounted to 77.49 billion yuan. USD. As a result of the government's policy of privatization and transparency of companies, in 2017 this figure was 6.3 trillion. USD and the highest figure in 2015 was 39.3 trillion. Was equal to the U.S. dollar. We can see that the global financial crisis of 2008 affected this market, that is, the sale of shares in the stock market decreased by 1.6 times.
The local stock markets in which shares of Japanese companies are traded have been constantly monitored by investors: local and international. In the stock market, trading is carried out with shares of major corporations such as Mitsubishi Corporation, Nissan, Sony, Honda and Isuzu.

The lowest share trade in the Japanese stock market in 1992 was $ 606 billion. The highest figure was recorded in 2007 and amounted to 6.6 trillion US dollars. It was the U.S. dollar.

As factors influencing the further development of the stock market and attracting broadly local investors, we can first of all point to the real growth of incomes in the country and the effect of investment in financial markets. Examples of the main forms of earning income from securities, which are financial assets in the stock market, are annual and quarterly dividends, profit from price increases or decreases, interest payments and capital gains.

The distribution of income among investors in the stock market depends on the attractiveness of the market. The main focus of investors participating in the stock market is the securities of companies operating in countries such as the United States, Japan, the United Kingdom and China. In developed countries, profitable companies play an important role in increasing the attractiveness of the stock market and attracting investors' free funds. In particular, when we analyze the stock markets of developed countries, we can observe the participation of large national and transnational corporations.

Figure 4. Stock trading in Japan, trillion. U.S. Dollars (Japan, Stock market value traded, current trillion of U.S. Dollars)[18].

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Local exchanges, such as NYSE, NASDAQ, Japan, which include shares of large technological transnational corporations, attract a wide range of domestic and foreign investors due to their attractiveness. In particular, the Japanese Stock Exchange was formed through the merger of the two largest stock markets - Osaka and Tokyo on January 1, 2013, and now the number of companies listed on it is 3708. The number of companies listed on the New York Stock Exchange (NYSE), established in the United States on March 8, 1817, peaked at 2,466 in 2014 and 1963 at the lowest in 2008. Another NASDAQ stock exchange in the country began operations in 1971 and in 2019 traded in shares of 3,140 companies.

The Korean Stock Exchange was established in 1953 and on January 19, 2005 added the Korean Futures Exchange and KOSDAQ. Currently, 2,283 high-tech companies are trading in shares, bonds and futures.

The Shanghai Stock Exchange, managed by the Securities Commission of the People's Republic of China, was established in 1999. The Shanghai Stock Exchange trades 1,572 companies on two types of shares: A (national currency - yuan) and B (foreign currency - US dollars).

The next, the Singapore Stock Exchange, was established in 1999 by a merger of three major exchanges: the Singapore International Monetary Exchange (SIMEX), the Stock Exchange of Singapore (SES), and the Securities Clearing and Computer Services Pte Ltd (SCCS). At the end of 2019, 723 listed companies traded on the Singapore Stock Exchange. We can observe foreign and domestic investors as the main participants of all the above stock markets. Local investors consist of business entities and the population. In practice, we can observe that in the trading of local stock exchanges, the shares of a company are bought precisely by its workers and employees. New York (NYSE) and Nasdaq stock exchanges in the United States have a special place among the stock markets of developed countries in terms of the level of capitalization of listed companies (Figure 6).
The average capitalization of companies listed on the New York Stock Exchange (NYSE) in 2019 is $23.33 trillion. USD, a positive change of 113% compared to the previous period. At the Nasdaq Stock Exchange, the figure was 9.76 trillion. 13 trillion US dollars. To the U.S. dollar (133 percent). Accordingly, we can observe similar positive trends in the remaining stock market in 2019 as well. The capitalization of existing companies in the country, that is, an increase in market prices, leads to an increase in the income of their shareholders - the population.

The influence of individual investors, ie the population of the country and other individuals, in the development of the stock market is very large.

CONCLUSION AND PROPOSALS

While studying the practice of attracting free funds of the population in the development of the stock market in developed countries, the development of the stock market is primarily closely linked with the stable operation of companies and financial structures in the national economy.

Based on the above scientific research and analysis, the following recommendations were made:

- Wide attraction of free funds to the stock market, thereby achieving mutual efficiency, further increasing the financial literacy of the population;
- expanding the flow of domestic financial investments in the stock market;
- simplification of the system of normative and legal acts of the securities market and development of a general code;
- Systematic control over the calculation and payment of dividends by joint-stock companies;
- simplification of the licensing procedure for professional participants of the securities market to conduct operations in the securities market.

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