



THE CONCEPT AND SOURCES OF LEGAL REGULATION OF MARKETING ACTIVITIES IN THE REPUBLIC OF UZBEKISTAN

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ABSTRACT

This article explores the concept and sources of legal regulation of marketing activities in the Republic of Uzbekistan. As the Uzbekistani economy undergoes significant transformations, driven by globalization and the adoption of market-oriented policies, the role of marketing in business operations becomes increasingly important. This study aims to provide a comprehensive overview of the legal framework governing marketing activities in the country. The article begins by defining the concept of marketing and its significance in the context of modern Uzbekistani economics. It emphasizes the role of marketing as a philosophy guiding business activities and shaping the strategies and tactics of firms in the market.

INTRODUCTION

The origins of marketing can be traced back further in history than commonly believed. Although there is some debate about the exact beginnings of marketing, many historians argue that its roots can be found as early as 1500 BCE (before common era) when Mesopotamian civilizations initiated large-scale production of goods necessitating quality control. Manufacturers of these goods would imprint their products with a unique mark, essentially the earliest form of a logo. This mark served as a means for consumers to identify the creators of the product they were buying, effectively signaling that a specific item was crafted by a particular vendor or merchant. It served as a recall for early consumers, reminding them that they could return to that specific vendor or merchant for other goods of similar quality. This practice gained even more significance as trade expanded between different nations and societies in the subsequent decades.¹

Marketing is defined as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.²

¹ Nevett, Terence (1991), "Historical Investigation and the Practice of Marketing," Journal of Marketing, 55 (July), 13-23.

² Solomon A. Keelson the Evolution of the Marketing Concepts: Theoretically Different Roads Leading to Practically Same Destination! Online Journal of Social Sciences Research Volume 1, Issue 2, pp. 35-41; April 2012

Kotler and Armstrong also defined marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. In this case marketing can be considered as “An organizational effort to create and retain profitable customers through positive relationship building between the organization and its internal as well.”³

According to S.V. Alexeev's work, "to characterize the marketing complex, knowledge of the legal regulation of means of individualization and product safety, methods of state quality control of goods; knowledge of the legal aspects of organizing and formalizing product delivery, as each distribution channel is formalized by an independent economic and legal contract (for example, a retail purchase and sale agreement, supply agreement, agency agreement) is required."⁴

It is critical to distinguish between basic legal requirements and specific standards that define "narrow," specialized marketing activities when addressing the legal regulation of marketing activities.

DISCUSSIONS

Because the efficacy of firm activities is largely decided by the performance of marketing departments, the current state of the economy in Uzbekistan emphasizes the special significance of marketing and imposes certain standards. In this light, marketing should be viewed as the philosophy of a company's actions, and its function in defining the firm's tactics and strategy defines the firm's market behavior. This includes establishing the product and its consumer features, as well as selecting distribution methods and styles of advertising.

The development of marketing as a crucial sphere of the modern economy requires comprehensive and effective legal regulation.⁵

Legal actions govern all aspects of the marketing mix, including goods, price, bonus systems, distribution networks, and marketing communications.

Many provisions of foreign treaties and laws have been adopted into Uzbek legislation. Several international norms control the structuring of marketing connections with foreign partners, the process of making transactions, and the regulation of the repercussions of causing harm to foreign partners and foreigners on Uzbekistan's territory, among other things.

The legal regulation of marketing is so vital that it affects marketing in the following ways:⁶

- 1) The law determines the status of marketing subjects.
- 2) The law defines the rights and obligations of marketing subjects.
- 3) The law establishes legal liability (civil, administrative, criminal, disciplinary, financial) for marketing subjects.
- 4) The law determines the possibilities of using marketing tools.
- 5) It regulates the relationships between marketing subjects and other participants in market activities, including the government.
- 6) The law defines the procedures for management, organization, information acquisition, and the application of marketing strategies within the internal environment.

³ Kotler P, Armstrong G. Principles of Marketing. 12th Edition. Upper Saddle River: Pearson Education Inc. 2008

⁴ S.V. Tatarov “The particularity of legal regulation of marketing activity on the present stage of development of the Russian economy” Economic Development Research Journal(2017) http://edrj.ru/article/06-06-17#_ftn2

⁵ Alekseev S. V. Legal regulation of marketing activities: textbook for universities. - M, 2003.

⁶ <https://dis.ru/library/662/22032/>

The main source of legal norms is the Civil Code of the Republic of Uzbekistan⁷ often referred to as the "economic constitution" of the country. The Civil Code defines the forms of conducting entrepreneurial activities, types of contracts, and forms of transactions. There is also a system of laws that reflect the rules of conduct for companies on "narrow" issues.

For instance, the relationship between companies and consumers is regulated by the norms of the Law "On protection of consumer rights,"⁸ the Law "On Advertising,"⁹ and others.

Procurements for state and municipal needs are regulated by corresponding laws at both the federal and regional levels.

Relationships in the field of trademark protection are governed by the Law "On trademarks, service marks and names of place of origin of goods."

Additionally, there is a range of laws related to competition¹⁰ and antimonopoly legislation,¹¹ and the objects of intellectual property.

Corporate regulatory acts play a unique function in the organization of marketing operations. These acts are intended to define and set regulations for the marketing activities of business entities in order to govern marketing operations at the enterprise level. The creation of restrictions on company trade secrets, regulations on marketing departments, and other structures involved in marketing operations within corporations, such as quality standards, pricing policies, sales incentives, and so on, might be noted as examples.

When characterizing the prerequisites for the development of marketing law in Uzbekistan modern economic conditions, it should be noted that the economic foundation, beyond legal regulation, influences compliance with established norms.

Therefore, the formation of marketing law should ensure the effectiveness of marketing activities and provide a basis for the commercial success of enterprises in the market while complying with the law. "At the same time, modern marketing departments and other participants in marketing activities have needs based on practical experience in modern Uzbek conditions. Marketing subjects, adapting to these conditions, develop certain rules of the game that need to be used in the legislative activities of legislative bodies at all levels, transforming these developments into legal forms. At the same time, legal doctrine is forced to react to these determinants by revising its concepts, views, approaches, conclusions, ideas, concepts, and theories. This reaction is what leads, as we see it, to the emergence of marketing law within Uzbek jurisprudence."

The term "marketing law" itself has not gained sufficient use. However, as the subject of scientific research, the term "marketing law" should gradually acquire not only content but also regulatory and informational potential.

Despite the established principles of market relations and their widespread application in the practice of economic entities, marketing law has been formed eclectically in the form of several independent and separate blocks.¹²

⁷ Civil Code of The Republic of Uzbekistan dated 01.03.1997

⁸ Law of the Republic of Uzbekistan "On protection of consumer rights" dated 26.04.1996 r. № 221-I

⁹ Law of the Republic of Uzbekistan "On Advertising" dated 07.06.2022 No. ZRU-776

¹⁰ Law of the Republic of Uzbekistan "On Competition", dated 03.07.2023 No. ZRU-850

¹¹ Law of the Republic of Uzbekistan, "On State control of the activities of business subjects" dated December 24, 1998 No. 717-I

¹² Tolkachev A.N. Commercial Law: Textbook. -M.: Dashkov i K. 2011.

The first block can be attributed to legal relations that have arisen between economic entities regarding the implementation of marketing activities. The basis for such legal relations is the norms of civil law that regulate the external form of marketing relations, often without taking into account the real needs of participants in marketing activities.

In the works of S.V. Alexeev, it is pointed out that it is difficult to persuasively argue and implement legal equality between buyers and sellers, the antimonopoly committee, and business entities. The cornerstone principle of civil law, the principle of dispositivity, also finds limited application in marketing legal relations.¹³

A distinctive feature of legal regulation of marketing activities in Uzbekistan is the relatively wide range of references to subordinate acts, which often contradict the requirements of federal and regional laws but are more practical in terms of applicability.

The second block of marketing legislation is related to the activities of executive authorities and often contradicts the declared freedom of entrepreneurial activity.

The allocation of a particular branch of law directly depends on the observance of general rules and requirements for the formation of a new legal branch, as well as the degree of systematization of regulatory legal acts, the relevance, demand, or intensity of the type of activity directly regulated by the new branch of law. In this capacity, the definition of marketing law possesses significant potential, shaping a wide field of application in the context of a set of values, especially relevant for scientific research and law enforcement.

Normative acts on the legal regulation of marketing exist in any country, constituting a special complex branch of law. This allows for the effective development of marketing, the creation of the necessary legal conditions for its implementation, and the legal protection of both private interests of marketing participants and the public interests of the state and society as a whole.

In conclusion, the approaches to justifying the formation of marketing rely on the above conclusions. In any case, it is clear that in the modern stage of development, there is a need for legal regulation of marketing activities in the Republic of Uzbekistan. This is confirmed by established practice, both in the domestic legislation and abroad, based on subjective and objective criteria. Such regulation should be comprehensive, from the standpoint of both private and public law, taking into account the traditions of conducting economic activities in various industry structures. In addition to comprehensiveness, specific principles must be formed, which are the subject of regulation, as well as the methods of regulation and the boundaries of their application.

RESULTS

The law regulates the interaction of marketing participants with other market entities. The use of the appropriate legal framework allows for the establishment of legally correct relationships with consumers, satisfying their requests to the fullest and realizing their economic interests. It enables conducting marketing research within the boundaries of the law, without violating the confidentiality of banking, commercial, or state secrets. This legal foundation also facilitates studying consumer intentions without infringing upon the rights and lawful interests of those surveyed, and it helps prevent violations of antimonopoly legislation, among other things.

¹³ S.V.Tatarov "The particularity of legal regulation of marketing activity on the present stage of development of the Russian economy" *Economic Development Research Journal*(2017) http://edrj.ru/article/06-06-17#_ftn2

When considering the marketing complex from a legal regulation perspective, it is essential to rely on legislation that governs its components (products, distribution channels, prices, marketing communications). In particular, it is crucial to understand the legal aspects of organizing and documenting product delivery, as each channel of product distribution is governed by an independent business and legal contract (e.g., retail purchase and sale agreement, supply contract, commission contract, agency agreement, leasing contract, etc.). Knowledge of the legal regulation of trade, pricing, advertising, public relations, and legal means of protecting the business reputation of marketing participants is also essential.

Thus, many marketing issues intersect with the need to align them with legal norms. A deep understanding of the subtleties of legal regulation in this sphere will lead to increased effectiveness in utilizing marketing research and activities by business entities. Failure to provide the correct legal assessment of most situations arising in marketing activities can result in unnecessary costs and significant mistakes for the business entity.

In the field of marketing activities, corporate (local) regulatory acts find wide application. Such acts regulate economic activities at the enterprise level and are adopted either by the founders or by the enterprises themselves. The purpose of local normative activities includes, among other things, the formulation and establishment of rules for the marketing activities of the respective economic entity in normative documents. For example, the regime of commercial secrecy as a type of marketing information within an organization can be regulated by a local normative act, such as a provision on the commercial secrecy of the organization.

To ensure the highest efficiency of each structural unit within an enterprise, specific documents are developed and issued to regulate internal relationships, define the scope of activities, rights, responsibilities, and accountability of departments and personnel. This includes regulations governing the marketing department and other units engaged in marketing activities within the enterprise.

It regulates social relations related to various aspects of marketing activities, including marketing research, marketing communications, product policies, pricing, product distribution, competitive relationships, and various other, including non-commercial, relations arising within organizations and individual entrepreneurs with their target customers, among entrepreneurs themselves, and in relation to state regulation of marketing in the interests of the state and society.

As marketing continues to develop and the market economy strengthens in Uzbekistan, the need for its legal regulation becomes increasingly significant. The primary purpose of marketing law is to regulate, protect, and support marketing activities through legal means.

The demand for the development and practical application of marketing legal regulation has been particularly felt recently due to increased competition. Aligning marketing with legal norms enhances the justification of decisions made in various areas of production, scientific-production, financial, and sales activities. It extends the legal framework to the sphere of marketing relationships. This rationalizes the process of product distribution, pricing, marketing communications, product assortment development, and enhances the practice of analyzing and forecasting the market situation within the framework of corporate planning. Effective legal regulation of marketing relationships contributes to mitigating and eliminating overproduction crises, aligning supply and demand, increasing the satisfaction of public

needs, directing capital into production, economic growth, and strengthening national security.

The improvement of marketing legal regulation is necessary to establish trade relations with economically developed countries, as the weak development of the domestic legal framework for marketing is one of the reasons why many foreign investors are reluctant to invest in the Uzbek economy. This is primarily due to the fact that Uzbek laws do not sufficiently guarantee the interests and protect the rights of business entities, nor do they ensure civilized business development in modern Uzbek conditions. Therefore, one of the key conditions for the successful operation of domestic organizations in the global market is the thorough study of the entire arsenal of legal means used in foreign countries' marketing legal regulation, both to take them into account in the development of export policies and to make use of the positive aspects of marketing legal regulation in these countries.

It is worth noting that the existing legislation is unable to prevent all potential abuses in the field of marketing, and new laws and sublegal regulatory acts are often difficult to implement. However, in addition to laws and regulatory acts, entrepreneurs' behavior should be guided by social norms and rules of professional ethics. In this regard, companies with a high level of social responsibility actively seek ways to provide reliable protection for their consumers and the environment. Several scandals that have occurred in the business world in recent years and the growing concern for the state of the environment and consumer protection have determined the increased interest in ethical and social responsibility issues. Nearly every aspect of marketing activity is somehow connected to these issues.

CONCLUSION

In conclusion, the concept and sources of legal regulation of marketing activities in the Republic of Uzbekistan are undergoing its infancy. Regulation of marketing activities requires to ensure fair and competitive practices within the country. Uzbekistan's legal framework for marketing activities is a dynamic and evolving system that reflects the country's commitment to fostering a conducive environment for commerce and trade. The concept of legal regulation in Uzbekistan underscores the importance of ethical marketing practices, consumer protection, and fair competition. It seeks to balance the interests of businesses with those of consumers and society as a whole. By promoting transparency, accountability, and adherence to established norms and standards, this legal framework helps create a level playing field for all market participants.

The sources of legal regulation in Uzbekistan include a wide array of laws, regulations, and government decrees that cover various aspects of marketing, including advertising, intellectual property rights, consumer protection, and competition policy. These sources are continually updated and refined to keep pace with the ever-changing dynamics of the global market.

Moreover, Uzbekistan's legal system is responsive to the evolving needs of the digital age, where e-commerce and online marketing are becoming increasingly prominent. This adaptability ensures that the legal framework remains relevant and effective in addressing emerging challenges and opportunities in the marketing sphere.

In conclusion, the concept and sources of legal regulation of marketing activities in the Republic of Uzbekistan provide a robust foundation for businesses to thrive while safeguarding the interests of consumers and promoting fair competition. As Uzbekistan

continues its journey of economic development and globalization, a well-defined and adaptable legal framework for marketing activities will be essential to its continued success on the international stage.

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