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New Content And Composition Of Surplus Product

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ABSTRACT

This article deals with the issue of surplus product which is an important, tangled knot of economics that exists at all times, in all countries, in all social systems, regardless of the boundaries of time and space, causing controversy and debate among many scholars. Attempts are made to shed light on issues such as new content of the surplus product as a source of economic development, its difference from value added, its forms, mass, norm, components.

KEYWORDS

Economic development, net product, necessary product, surplus product, norm of surplus product, new equipment and technology.

INTRODUCTION

The surplus product is one of the central branches of the science of economic theory, not simply as an economic category, but also as the basis of the development of society, indicating and interpreting its level of development, serving as a source of it

(development), as an important central node that reflects the level of development of creation, distribution and consumption of social products. With the advent of surplus products, a material basis for humanity was created not only to survive but also to develop.

Over the millennia, efforts to increase the amount of additional labor and, consequently, additional output have led to the economic development of different people and countries, the gradual formation of human freedom, and an increase in living standards.

But such economists are one-sided and look at economic processes on the surface, cannot explain the formation, sources and the share in national product of monetary income of owners and entrepreneurs in the form of profit, dividend income, the banks' earnings of interest, state taxes, land rent. Not understanding the source of profits and other forms of income leads to a failure to answer the question of why producers suffer and its sellers make profit. They seem to be limited to study surface aspects, without paying attention to the root cause of economic phenomena and processes.

THE MAIN PART

Opinions about surplus product go back to the long history of economic life and the development of the science of "Economic Theory". For example, there is a legend about Confucius, a Chinese philosopher who lived in 551-471 BC and has not lost his fame with his philosophical ideas: He went to a fisherman when he was young. The fisherman wanted to give him the fish he had caught. Then the young boy Confucius looked at the fisherman and said, "If you want to help me don't give me a fish, but teach me to fish." Then the fisherman said that he feeds himself and his family with this craft, and if he had surplus, he would give it to his neighbors, and if he had more, he would give it to you and others.[1].

Later, the theory of surplus value was developed in more detail by A. Smith and D. Ricardo. They showed that the new value is created by the hired workers, the working time of the hired worker is divided into two, to create the value needed to feed himself and his family during the necessary labor hours, and the surplus value created by the property owners during the rest of his working hour.[3]

Surplus value theory formed the cornerstone of Marx's theory and is described in detail in his four-volume work, *The Capital*. [4]

In today's market economy period, a number of new publications published in Russia after 2000, such as textbooks and manuals of economic theory by authors V.Y. Iokhin, V.B. Akulov, O.V. Akulova, E.F. Borisov, textbook published by a group of authors under the guidance of D.D. Moskvina, AG Gryaznova and TV Chechelova, AV Sorokin's manual "Theory of social wealth: a model of category" [5], VP Petrov's book of "Stoimost deneg. Ekonomicheskiye krizisy pereproizvodstva" and article of "O korrektyrovka teorii pribavochnoy stoimosti", Gysil's article's "Stoimost potrebitelnyaya stoimost i potrebitelskaya stoimost", F.V. Chaykovskiy's doctoral dissertation [6] "Teoriya obshestvennogo bogatstva, teoriya I metodologiya formirovaniye I primeneniye dobavlennoy stoimosti v usloviyah MSFO na mikro I makro urovne", N.B. Shugal's dissertation about "Modeling of interdependence of elements of gross value added and final product" [7] partially cover newly created value, the essence of necessary and surplus values, the components of surplus

value, the processes of their formation and methods of expanding surplus value.[8]

ANALYSIS AND RESULTS

The total amount of goods and services created in a year, the gross domestic product, is the result of production of the country. This general result at different times is referred to by different names. For example, in the former Soviet countries it is called Total Social Product (TSP), some countries call it gross national product (GNP) and currently many countries, including our country, refer to this annual product as GDP, Gross Domestic Product.

It is of great scientific and practical importance to study and consider the goods and services produced during the year, GDP, in these three forms because it allows to clarify the functional task and objective necessity of each of them, to study the demand and supply for each form of products, and to set up production according to demand.

The created products will be considered not only in their material form, but also in terms of value, and its value composition will be studied and analyzed.

The generated GDP will also consist of three parts in terms of value, namely:

- 1) The value of fixed assets (i.v.) consumed in the production process transferred to the new product, i.e. depreciation;
- 2) Part of newly created net product, i.e. the part which belongs to the workers - the value of necessary product (z.m.);

- 3) The value of the surplus product (q.m.), part of newly created value, produced for owners, entrepreneurs and society.

In other words, the value of GDP (GDP) created during the year consists of the new value created during the production process and the value of the means of production produced in previous periods but consumed during the current year's production. For the uninterrupted continuing and development of production process, the means of production consumed, various equipment, raw materials, fuels and other auxiliary materials, need to be replaced. To do this, part of the produced goods during the year are used to restore them. If the value of the means of production consumed is deducted from the value of the products created, we get the value of net product. Thus, a net product consists of the value of necessary and surplus products created by the labor of managers, workers, farmers, engineers, technicians, artisans, home-based workers, seamstresses, carpenters, etc., who were directly engaged in production and service processes.

The necessary product is an important part of the net product and belongs to the workers.

The excess of the net product over the required product, i.e. the part created by the surplus labor during additional time, is called the surplus product. To understand the content of a surplus product and its difference from surplus value, it is necessary to pay attention to its dual nature (Figure 2.1).

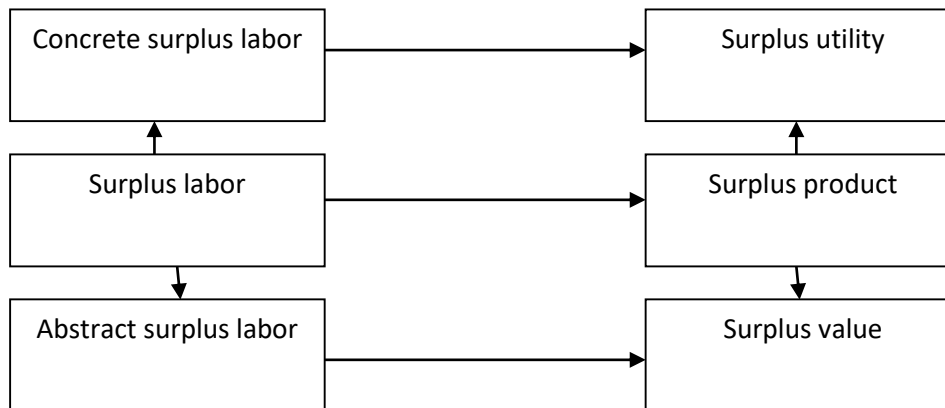


Figure 1. The dual nature of the surplus product.

As can be seen from this picture, surplus value, in contrast to surplus product, represents only one side of it, i.e. the value side, while the surplus product represents both sides of it, the surplus value and the surplus utility and their changes. It should be noted here that an increase in labor productivity as a result of the development of productive forces (provided that the necessary product does not change) leads to an increase in the amount of surplus product. The surplus value will not change unless the labor spent does change. In other words, the quantity of surplus product is equal to the multiplication of surplus value and labor productivity.

This means that the surplus product is quantitatively more than the surplus value by the amount of labor productivity. For example, if the amount of surplus value is 200 thousand soums, and labor productivity increases by 1.5 times, the surplus product ($200 * 1.5 = 300$) will be equal to 300 thousand soums.

It is also worth noting that in some published articles and books, some authors consider surplus product, surplus value, and value

added as the same concepts. But there is a big difference between them.

Value added includes depreciation, salary, various social payments, taxes and other payments.

The surplus product is value added less depreciation, wages and various social payments. Surplus value, as mentioned above, represents one aspect of the surplus product, i.e. the value side.

We hope that these highlighted aspects will allow you to better understand the content of the surplus product.

The sum of all surplus products created during the year is called the mass of surplus product, and its ratio to the necessary product (expressed as a percentage) is called the surplus product rate.

If the surplus product rate is denoted by s.p.r, its mass by s.m., the necessary product by n.p., then the surplus product rate is determined by the following formula.

s.p.r.= (s.m.)/(n.p.)

The relative surplus product is divided into two components: the first part is a typical relative surplus product; the second part is a premium relative surplus product. The first part of the relative surplus product is created in the form of labor tools, technologies, and ways of organizing and managing work and production processes, which are typical for all enterprises in each particular branch of production. In the economic literature this surplus product is

referred to as conventional, traditional relative surplus product.

The second type of premium surplus product stems from relatively favorable artificial factors. These are the result of introduction of technical, technological, organizational innovations, as well as introduction of scientific and technological advances in production and service sectors and serve as a source of future development.

The classification of surplus product in agriculture can be seen in the figure below (Figure 2).

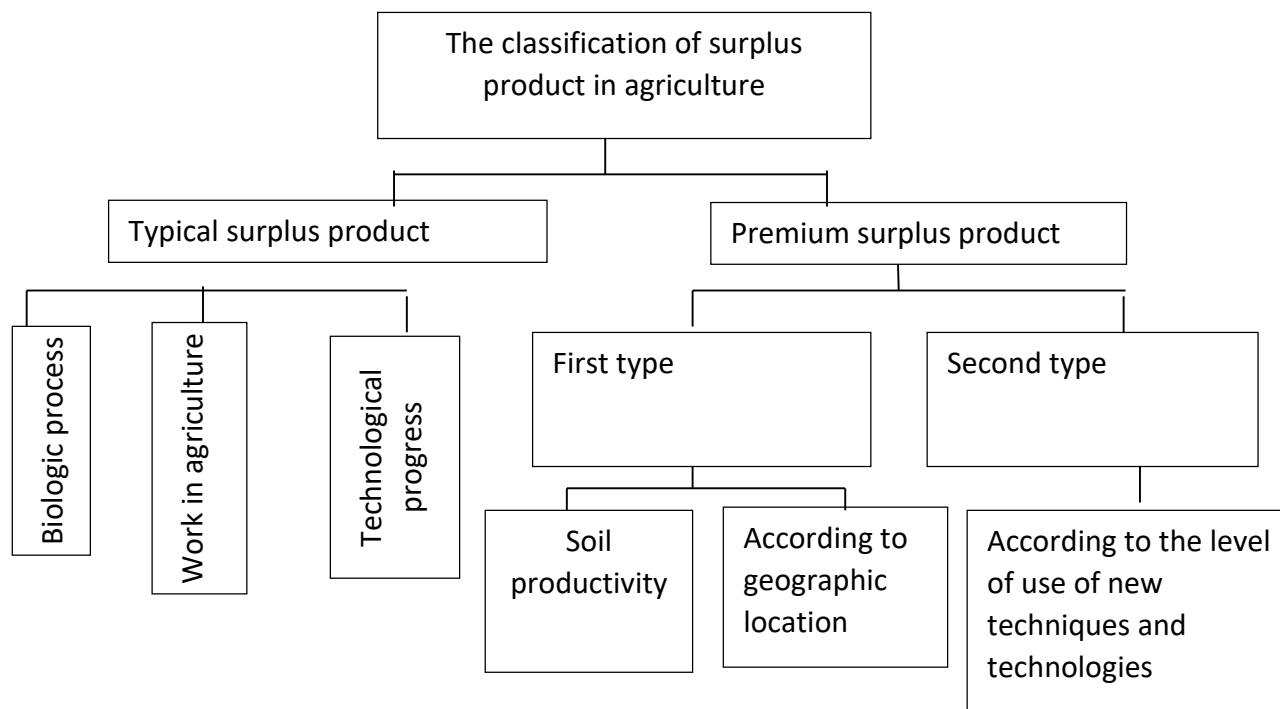


Figure 2. The classification of surplus product in agriculture.

The classification of surplus product in the industry can be summarized as follows

(Figure 3).

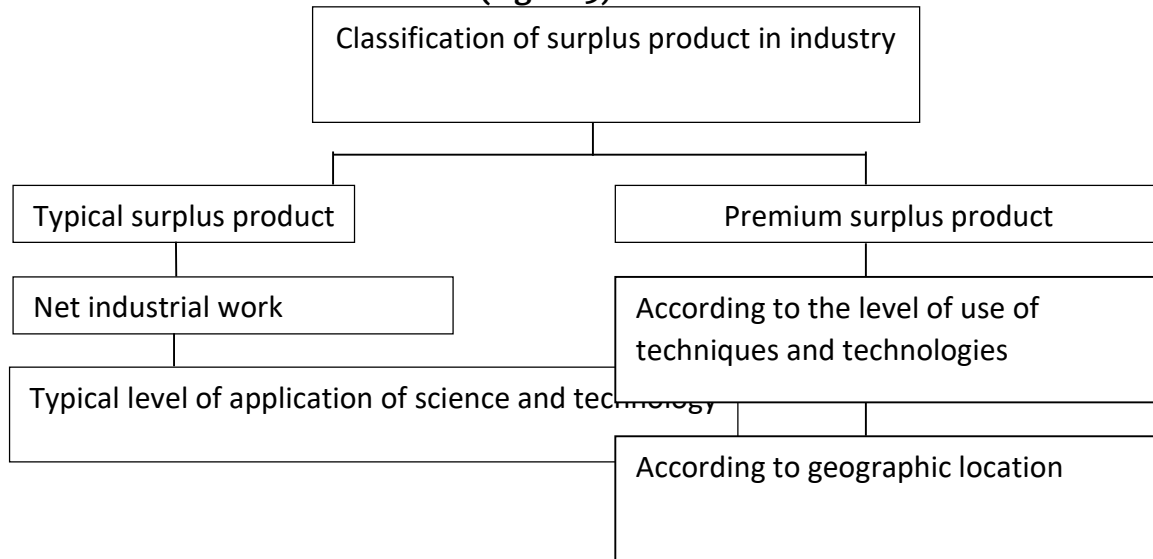


Figure 3. The classification of surplus product in the industry.

As can be seen from the pictures, the structure of surplus product in agriculture is more complex than it is in industry, mainly due to the existence of persistent, non preventable properties of agriculture and the intermix of artificial processes with biological processes which form the soil fertility. However, the rapid growth of industrial surplus product due to development of science and technology plays an important role in growth of the total volume of surplus product.

CONCLUSION

The surplus product generated in the production process becomes the gross profit of the company when sold. The share of profits is allocated to the state in the form of tax, in the form of interest to capital owners, and in the form of rent to landowners. These types of incomes are forms of surplus product that have changed since the initial distribution. On the

surface, the surplus product is seen in the above forms. The people who do not consider the root causes of economic processes will never know the source of this income, where and by whom it is created. Therefore knowing their forms in real life plays an important role in understanding the meaning of necessary and surplus product.

It is clear that the increase of surplus product does not harm anyone, but rather is a necessary benefit for all members of society.

It is well known that there is always a contradiction and connection between surplus product and necessary product. Both are used to develop the whole economy and to increase the well-being of members of society.

But their share in net national product varies under the influence of various factors, such as development of technology, changes in the structure of social production, increases in

labor productivity. As a result of increase in labor productivity, as the absolute amount of necessary product increases, its share in net national product decreases and the share of surplus product increases. Such cases are reflected in the increase in of surplus production rate.

It can be concluded from above mentioned that surplus labor and, consequently, surplus product have been throughout historical development and will continue in the future to be an economic source of development of production, science and technology, education, health, culture.

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