

THE ROLE OF STATE AND COMMERCIAL BANKS IN INCREASING THE FINANCIAL LITERACY OF THE POPULATION

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Annotation: *Increasing the level of financial literacy of the population is a necessary part of the rapid development of any country involved in international economic relations, including modern Uzbekistan. In such a situation, one of the main goals set by the government is to "arm" citizens with information and educational tools for effective management of personal funds and, as a result, equal participation in the socio-economic life of the country. Solving this problem requires an integrated approach and the involvement of experts from various structures and organizations of regional organizations in this process. This article focuses on the role of state and commercial banks in improving the financial literacy of the population, their role and importance in providing the economic knowledge of the population today.*

Key words: *financial literacy, economic policy, economic education, financial culture, financial services, state, role of commerce.*

It is important to increase the financial literacy of the population, improve their economic knowledge, raise the legal consciousness and legal culture in the society, and create a high morale of the society.

It is natural to ask why the issue of financial literacy is becoming so important today. The reason can be explained like this. Today's world is full of messages and gospels, which are difficult to fully understand the essence of different information, right and wrong information. In this regard, the most popular direction, which does not require additional comments, is social networks. It is through them that many information attacks are organized and fake information is distributed. Through this, it is intended to achieve the goal of diverting the public's attention, diverting public opinion to another topic, or convincing network users of non-existent things. So why are these methods necessary? This is mainly to gain the attention of the public, to fill the minds of the population with a low level of economic knowledge, who are not financially literate, with false advertisements and announcements, and thereby convince them of this, and as a result, to sell their goods and products. or to offer services. The most popular method in this regard is financial pyramids.

The level of financial literacy and economic knowledge of citizens affects not only their material well-being, but is also an objective "barometer" of the socio-economic situation in the country. The ability to consciously make economic decisions and be independently responsible for them provides the population for the future, and for the state, the increase of citizens who perceive changes in the economy. The lack of basic financial knowledge, on the contrary, is one of the most serious obstacles that not only lowers the standard of living, but it leads to a decrease in the country's economic growth.

In the second decade of the 21st century, the complexity of the financial system significantly hinders the growth of financial literacy of the population. Such a situation leads to ineffective or incorrect management of the financial means available to citizens in the context of rapid changes in the global economic system and lack of time to adapt to new realities. Living in conditions of high financial uncertainty, the constant appearance of new tools and services on the market and their changes, as well as periodic updates in the legislation regulating social and financial processes, the fact that they did not have time to understand and understand what happened people are facing difficulties in various fields due to this. As a result, they are even victims of fraudulent organizations and fake contracts. The lack of basic knowledge and skills in the use of financial instruments, as well as the inability to act in the world of financial and economic relations, creates fear, and the negative consequences of their own wrong decisions affect financial institutions, banking institutions and finance in general. leads to distrust in the system.

Duties of the Department of the Central Bank of the Republic of Uzbekistan:

- developing a strategy for increasing the level of financial literacy of the population and entrepreneurs and implementing the tasks defined within it;
- to ensure the improvement of professional knowledge and practical skills of employees of the Central Bank and commercial banks based on the strategic tasks and priority directions of development of the banking system.

Functions of the department:

1. Preparation and testing of modern educational materials on financial literacy for different age groups and audiences;
2. Development and maintenance of information and educational resources of the Central Bank on financial literacy;
3. Organizing and conducting various events within the framework of increasing the financial literacy of the population;
4. organization of a continuous education system for the purpose of retraining and improving the qualifications of specialists;

Financial literacy is the ability to manage and increase one's own funds. It also means knowing the peculiarities of the financial market, being aware of the products and services offered by market participants, and taking responsibility for the decisions made on this basis. "Financial literacy" is the ability of the population to understand simple economic events and processes in everyday life (for example, buying food and household goods, paying for the use of various resources (electricity, natural gas, drinking water) and utilities). implementation, employment in the private or public sector, receiving wages or benefits, etc.) to relatively complex processes (for example, engaging in business activities, using loans from commercial banks, buying securities, etc.)

In my opinion, increasing the financial literacy of the population is one of the most important tasks for banks. Increasing the trade of the population, which is a client of the banks, serves to raise the level of the bank.

At the same time, bank employees emphasize that financial literacy is an important general professional competence, along with knowledge, skills and abilities that allow to implement practical work on improving financial literacy of the population within the

framework of professional activity. To perform this task effectively, journalists must have sufficient economic knowledge, the ability to evaluate the usefulness of an event or fact to the public, and to transform complex topics into an attractive form for readers. At the same time, the information should be presented in the simplest language, aimed at the general population, as opposed to a specialist in this field.

For the state, the low level of literacy of the population, the presence of an obstacle to the development of solvency limits the possibility of financial markets and reduces the efficiency of regulation, restricts the rights of consumers, and prevents the transition to the accumulated pension system based on personal participation. Inadequate level of knowledge about financial services from an economic point of view means that large segments of the population are not attracted to their consumption and limits the level and quality of savings, investments, which determine the potential of economic growth. The development of the modern market economy requires the population to participate in pension accumulation, insurance and mortgage systems. Because the population's participation in these systems helps to solve issues such as pension savings, social and medical insurance, providing accommodation and improving the quality of education. Expansion of savings characteristic of the middle class and its effective use ensures socio-economic stability in the country, is the basis for achieving macroeconomic balance and strengthening the financial system.

High propensity of the population to save, wide use of savings and insurance levers implies a high level of financial literacy of the population. Such literacy gives the population the opportunity to cooperate closely with financial institutions, to use the services of the banking and insurance sectors, and the pension insurance system on a large scale and effectively. By increasing their financial literacy, middle-class households effectively use their personal budgets, make personal financial decisions based on their long-term goals, avoid excessive personal debt levels, differentiate between the services and products offered by financial institutions, and reduce excess risk. - risks are avoided. Ensuring the well-being of the population at every stage of life is largely dependent on the effectiveness of personal financial decisions. This reflects the importance of financial literacy in the long-term development of the country. In the last decade, the expansion of the consumer sector in the financial market, the increase in the types and complexity of financial products, the growth of the population's income and gross savings reflect the increased personal responsibility in the financial decisions made by the population. This situation also shows the urgency of the problem of increasing the financial literacy of the population.

Conclusion. The financial literacy of the population affects the education of young people, national values and traditions through the ways in which people use and save money. The level of financial knowledge and skills of the population, the level of the investment environment, the development of financial markets, together with the regulation of the economy by the state, is an important factor affecting the growth of the population's material well-being. The implementation of the financial literacy system is especially important for the socially disadvantaged sections of the population, because trying to optimize the ratio between savings and expenses, obtaining microloans for the implementation of one's own business is of great importance in improving the well-being of the population. Public financial literacy can play an important role in helping people manage their income and savings effectively.

Financial literacy allows families to plan their expenses based on calculations in the long-term perspective, save money properly, and make wise decisions about borrowing and loans.

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