



THE MAIN FACTORS OF THE SOCIO-ECONOMIC DEVELOPMENT OF UZBEKISTAN IN RECENT YEARS

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ABSTRACT

This article identifies the factors for ensuring high rates of economic growth in Uzbekistan, the features of ensuring sustainable economic growth in the nearest future.

KEYWORDS:- Socio-Economic Development, Sustainable Economic Growth, Uzbekistan

INTRODUCTION

Objective conditions for sustainable economic growth

According to the traditional economic approach:

- Maximization of economic growth and full satisfaction of needs in the market system;
- Market gaps can be corrected through government macroeconomic policies;
- Many types of natural resources are a

source of economic scarcity and degradation without due value;

- Methods for measuring wealth accumulation do not take into account the decline and degradation of natural resources;
- Traditional natural resources become scarce as the economy develops.

To ensure high rates of economic growth in our country, much attention was paid to the implementation of the following processes:



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- Consistent implementation of large-scale systemic market reforms;
- Strengthening measures to attract foreign investment;
- The implementation of deep structural changes in the economy;
- Modernization and renovation of production;
- Creation of new industries and enterprises specializing in export;
- Implementation of a well-thought-out policy aimed at the accelerated

development of small business and private entrepreneurship.

Main characteristics of macroeconomic stability:

- Income distribution problem;
- The economic growth;
- Full employment;
- Stability of domestic prices (inflation);
- Energy balance of payments;
- The state budget deficit should not exceed 3% of GDP.

Key macroeconomic indicators

Indicators	2010	2015	2016	2017	2018	2019	2020
Growth in gross domestic product	8,5	8,0	7,8	5,2	5,1	5,6	1,6
Industrial production growth	8,3	8,0	6,0	8,0	10,6	5,0	0,7
Service capacity	13,4	10,8	12,5	10,7	6,3	13,2	0,1
Agriculture	6,8	7,0	6,6	2,0	0,3	3,1	3,0



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Trade sector	14,7	15,0	14,4	1,9	4,4	7,9	0,1
Growth in total exports	10,8	-10,4	0,5	6,6	13,6	24,8	-13,6
State budget execution	+0,3	+0,1	+0,1	+0,2	+0,02	-1,1	
Inflation rate	7,3	5,6	5,7	14,4	14,3	15,2	11,1
Growth in real income per capita	23,5	4,3	6,9	8,4	7,1	3,8	2,6

Basic conditions for economic growth:

1. The gross domestic product (GDP) produced in the current year will be higher than in the previous year.

2. The GDP growth rate is higher than the population growth rate, i.e. per capita GDP growth.

Indicators of GDP per capita in Uzbekistan

Years	Indicators		
	Nominal GDP, billion soums	Real GDP growth rates,%	GDP per capita growth,%
2000	3255,6	4,0	2,4
2005	15923,4	7,0	5,7
2010	61100	8,5	6,7
2011	77750,6	8,3	5,5
2012	96589,8	8,2	5,8



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2013	118986,9	8,0	5,9
2014	144900,0	8,1	5,4
2015	171400,0	8,0	5,6
2016	199300,0	7,8	4,3
2017	302 536,8	5,2	2,7
2018	407 514,5	5,1	3,3
2019	511 838, 1	5,6	3,6
2020	580 203,2	1,6	-0,3

amounted to \$ 50.5 billion.

- At the end of 2019, the GDP growth rate was 5.5% instead of the projected 5.4% and was higher than the 5.1% achieved in 2018.
- GDP growth rates are mainly due to the growth of industry by 6.4% (forecast - 5.2%), construction by 11.8% (8.4%) and services by 6.1% (6.3%).
- GDP per capita was \$ 1,741, which is 13.6% more than in 2018 (in 2018 - \$ 1,533).
- The volume of nominal GDP in dollar terms in 2017 amounted to \$ 59.1 billion. In 2019, it amounted to about \$ 58.3 billion, or 99 percent. In 2018, it
- Net taxes accounted for 1.7% of services, 1.6% of industry, 0.7% of agriculture, 1.0% of construction and 0.6% of products.
- The stability of economic growth was ensured by the balance of aggregate supply and domestic demand by sectors of the economy, supporting the growth of investments at a high rate - 28.6%.
- Despite the results achieved in 2019, GDP per capita lags far behind the global average, given the demographic situation, low economic coverage, limited income and savings of the population.



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Impact of the Covid-19 pandemic on the economy of Uzbekistan

- The unemployment rate in Uzbekistan in 2019 was 9.1%, in the first quarter of 2020 it was 9.4%, and the total number of unemployed was 1.399 million.
- During the coronavirus pandemic, some 550,000 migrant workers were unable to travel to other countries to work due to border closures, leading to an unemployment rate of nearly 2 million.
- The level of employment in the informal sector in the labor market of Uzbekistan is relatively high, with the employed population of 13.5 million people, 57.8 percent of the population or 7.8 million people employed in the informal sector, including 2.6 million migrants.
- In addition, 341.3 thousand people lost their jobs due to the coronavirus crisis, 426.7 thousand people returned from abroad in early 2020, and 143.4 thousand people were unable to return to work.

Social significance of programs aimed at

social protection and support of economic sectors in Uzbekistan in the context of the Covid-19 pandemic

- The anti-crisis fund has attracted 230,000 unemployed people to public works due to the pandemic.
- More than 33 thousand low-income families and 3 thousand unemployed are provided with jobs through subsidies allocated for the development of gardening and the creation of agricultural cooperatives within the framework of targeted state active social programs.
- Benefits in the amount of 10 billion soums were allocated for 27 thousand unemployed, 374 thousand people were provided with monthly work and a permanent income.
- Benefits and preferences were provided in the amount of about 30 trillion soums for more than 500 thousand business entities and 8 million citizens.

Practical Action Plan for 2020-2021 to Restore Economic Growth and Continue



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Structural Changes in the Republic of Uzbekistan

The main constraints and threats of 2021 are:

- Restricting the production of local products and services.
- Reduced income, limited domestic demand due to disruptions in the production chain.
- The risk of the spread of coronavirus infection among the population due to the closure of external borders to liberalize quarantine measures and prevent the migration of people from countries with a high prevalence of coronavirus infection.
- The growing budget deficit and the growth of external public debt are a manifestation of risks to macroeconomic stability.
- Restrictions on investments, especially foreign ones, as a result of the deterioration of the financial condition of potential investors in the context of the global financial and economic crisis.

- Due to the global financial crisis, limited external demand and the crisis in the importing countries of Uzbek products.
- An employment problem, including a reduction in labor migration opportunities and an increase in poverty, which is a serious threat to Uzbekistan.

In 2020 and 2021 years, it will be necessary to resolve the following issues:

- ✓ Limiting the growth of external debt, tight control over the efficiency of the use of borrowed funds;
- ✓ Efficient use of external debt with an emphasis on financing the budget deficit, infrastructure projects, social facilities that have a direct and secondary impact on economic growth, employment, as well as short and medium term poverty reduction;
- ✓ Optimization of public investment costs by improving the criteria for selecting projects at the stage of feasibility study, rejection of investment projects that have lost their relevance in terms of cost and implementation time;



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- ✓ Completion of work on optimization of tax and customs benefits;
- ✓ Improvement of industry and competition policy;
- ✓ Continuation of the reform of the agrarian sector;
- ✓ An increase in wages due to the optimization of production costs, the introduction of modern technologies and the digitization of production processes, as well as an increase in the international competitiveness of domestic products.

Forecasts of changes in the structure of the national economy

	2015 year	2030 year
Gross domestic product	100	2 times
Share of industry in GDP	33,5	40,0
Share of agriculture in GDP	16,6	8-10
The amount of energy consumed for the gross domestic product	Reduction in 2 times	

Forecasts of an increase in the number and types of products until 2030

Type of product	Times
Oil, gas and chemical products	3,2



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Non-ferrous metal production	2,2
Ferrous metal products	2,3
Chemical industry products, including mineral fertilizers	3,2
Textile and light industry products	5,6
Processing of fruits and vegetables	5,7

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