

SOCIO-ECONOMIC REFORMS IN UZBEKISTAN: ECONOMIC GROWTH AND SOCIAL DEVELOPMENT

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ABSTRACT

This article describes the ongoing socio-economic reforms in the Republic of Uzbekistan, their final results and the standard of living of the population. Also, macroeconomic indicators were analyzed, international rankings of the country's economy were studied, and directions for more sustainable economic development were proposed.

KEYWORDS: *Socio-Economic Reforms, Investment, Economic Growth, Modernization, Diversification, Rating.*

1. INTRODUCTION

Deepening socio-economic reforms, achieving economic independence, joining the ranks of exporting countries, accelerating the level of urbanization of regions, increasing employment and welfare, as well as attracting foreign investment in real sectors of the economy are among the current issues.

In his Address to the Oliy Majlis on January 24, 2020, President of the Republic of Uzbekistan Shavkat Mirziyoyev said: Modernization and competitiveness programs are being implemented in 12 leading industries. As a result, economic growth last year was 5.6 percent. The volume of industrial production increased by 6.6%, exports - by 28%. "Our gold and foreign exchange reserves increased by \$ 2.2 billion in 2019 to \$ 28.6 billion"[1].

According to the World Bank, due to the ongoing pandemic, the world economy is projected to shrink by 5.2 percent by 2020, particularly in Eastern Europe and Central Asia, with almost all countries experiencing an economic recession. Of the 24 countries in the region, only Uzbekistan is expected to grow by 1.5% in 2020. It is no exaggeration to say that such a high assessment is the result of socio-economic reforms in our country.

The quality of the initiatives being developed in our country to reform the socio-economic

sphere,radically increase the effectiveness of ongoing reforms,to focus ongoing research on the implementation of reform priorities andin order to increase their role in the development and implementation of socio-economic policy measures of the countryadoption of the Resolution of the President of the Republic of Uzbekistan dated October 3, 2019 No PP-4471 "On measures to improve the quality and role of economic research in socio-economic development" serves as a regulatory framework for scientific and technological development of the economy [2]. By this decision, the Center for Economic Research was reorganized into the Center for Economic Research and Reform under the Presidential Administration of the Republic of Uzbekistan and one of the main tasks of the Center is: taking into account the successfully tested practices in developed countries,analytical and practical research to develop proposals for strategic directions of deepening socio-economic reforms.In particular, today more than 1,300 research projects funded from the state budget are being implemented.

In addition, the Resolution of the President of the Republic of Uzbekistan dated May 1, 2020 No PP-4702 "On the introduction of a rating system of socio-economic development of the regions" [3] introduced a rating system of socio-economic development of regions on the basis of statistics and surveys and special attention should be paid to the following:

- Ensuring sustainable and balanced economic development, the effectiveness of economic reforms;
- Creating new jobs, reducing unemployment and ensuring labor market efficiency;
- Increasing access to social services and improving the quality of life of the population;
- Creating the necessary conditions for the population and business, ensuring the stability and reliability of production infrastructure;
- Increasing the level of competitiveness of the regions, further diversification of their economies;
- Improving the quality of the business environment, continuous support and rapid development of entrepreneurship;
- Achieving financial independence of the regions and development of the banking and financial sector;
- Improving the efficiency of local government in dealing with citizens' appeals and transparency of information.

This "Rating" serves to expand the opportunities to assess the level of socio-economic development of the regions and analyze the effectiveness of ongoing socio-economic reforms.

2. LITERATURE REVIEW

In the implementation of economic reforms in our country, special attention is paid to the specific conditions and opportunities of each region [4]. In particular, to abandon the system of strict centralized governance, to increase the role of local authorities in addressing socio-economic issues of the regions, to further expand their legal, economic and financial capabilities, to assist the state in preventing the deepening of socio-economic problems in low-income areas. development of regions with natural and economic potential, construction of new industrial enterprises while improving infrastructure, further expansion of free economic zones in the regions, etc.

In addition, one of the most important areas of economic policy in ensuring sustainable economic growth is further liberalization of tax policy, simplification of taxation, reduction of tax burden, protection of the rights and freedoms of economic entities, limiting their interference in financial and economic activities, stimulating economic modernization.

measures such as supporting small business and private entrepreneurship, improving the investment climate, ensuring macroeconomic growth and improving the living standards of the population [5].

In recent years, large-scale programs for further development of the region's economy, including industries, creation of decent conditions for the population, employment have been implemented in all regions of the country through the support of socio-economic development, active entrepreneurship and innovative ideas [6].

In general, "Economic growth" is directly expressed in the increase in absolute and per capita GDP and per unit of economic resource costs, as well as in the improvement of quality and composition [7].

It should be noted that, an economy as a whole depends on the development of information and communication technologies [8]. In addition, the country's export potential and the component of exports also play an important role in economic growth [9].

3. RESEARCH METHODOLOGY

Economic, statistical, comparative analysis and tables were used in the research process. Published scientific works of local and foreign scientists on this topic, official statistics of the Statistics Committee of the Republic of Uzbekistan and international organizations were also used.

4. ANALYSIS AND RESULTS

According to the analysis, in 2000-2019, the country's GDP grew by an average of 106.5%, industrial production by 105.2%, agricultural, forestry and fishery products by 105.3% and services by 113.7%.

In addition, the volume of investments in fixed assets in 2019 will reach 195.9 trillion. This figure is 264 times higher than in 2000 and 12 times higher than in 2010.

Today, the contribution of commercial banks in the formation of investments in the economy is growing. In particular, in the first six months of this year, commercial banks provided about 58.6 trillion soums to enterprises in the economy. UZS, of which 17.6 trillion soums were allocated. soums or 30.0 percent were directed to the purchase of fixed assets [10].

As a result of the ongoing socio-economic reforms in our country, in recent years the income of the population has been growing and living standards have been improving. In particular, in 2019 the total income of the population will reach 342.6 trillion. soums (growth rate 121.2% compared to the previous year), the total per capita income was 10.2 mln. soums (growth rate 118.9%), real total income of the population amounted to 299.2 trillion soums. soums (growth rate 105.8%), real gross per capita income 8.9 mln. soums (growth rate 103.8%) (Table 1).

TABLE 1 TRENDS IN INCOME INDICATORS IN THE REPUBLIC OF UZBEKISTAN

| Indicators | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total income of the population, billion soums | 101661,2 | 117888,9 | 158699,8 | 185036,5 | 220811,8 | 282762,5 | 342613,3 |
| compared to last year, in% | 123,7 | 116,0 | 112,0 | 116,6 | 119,3 | 128,1 | 121,2 |
| Total per capita income, thousand soums | 3361,5 | 3832,8 | 5070,5 | 5810,0 | 6817,6 | 8580,0 | 10202,8 |
| compared to last year, in% | 121,8 | 114,0 | 110,1 | 114,6 | 117,3 | 125,9 | 118,9 |
| Real total income of the population, billion soums | 95028,2 | 110766,6 | 150397,8 | 175273,8 | 201709,9 | 240587,5 | 299147,2 |
| compared to last year, in% | 115,7 | 109,0 | 106,1 | 110,4 | 109,0 | 109,0 | 105,8 |
| Real gross per capita income, thousand soums | 3142,1 | 3601,3 | 4805,2 | 5503,5 | 6227,8 | 7300,2 | 8908,4 |
| compared to last year, in% | 113,9 | 107,1 | 104,3 | 108,5 | 107,2 | 107,1 | 103,8 |

The Doing Business rating, one of the most popular ratings describing the investment climate in the country, also published a comparative rating of ease of starting a business (DB 2020 Starting a Business Score). In this rating, our country was highly rated (Figure 2).

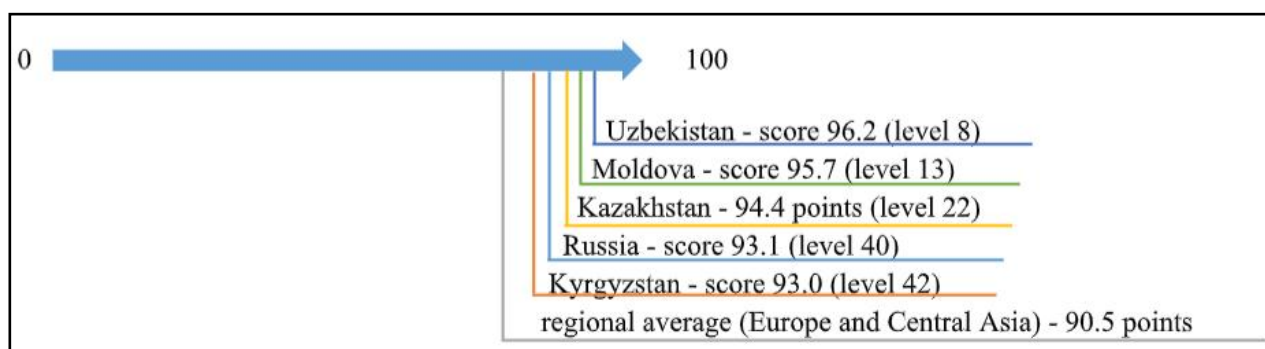


FIGURE 2.COMPARATIVE RATING OF THE UZBEK ECONOMY ON THE CONVENIENCE OF "STARTING A BUSINESS"

Also, according to this rating, the economic freedom of the country is 53.3 points, which is 140th place in 2019. Freedom of business, freedom of labor and freedom of investment have increased, while the country's economic freedom has increased by a total of 1.8 points. Uzbekistan ranks 36th out of 43 countries in the Asia-Pacific region, but its overall ranking is lower than the regional and global averages. [11].

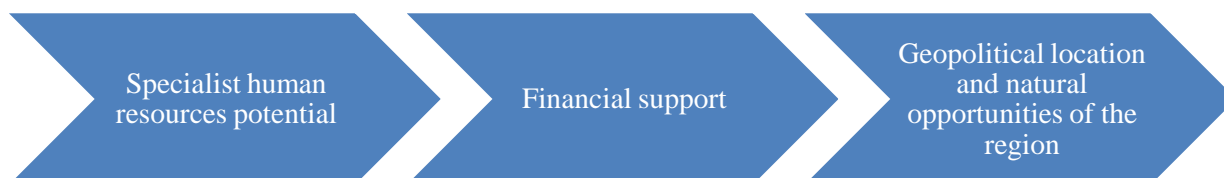


FIGURE 3. FACTORS INFLUENCING THE EFFECTIVENESS OF SOCIO-ECONOMIC REFORMS

In our opinion, the effectiveness of socio-economic reforms depends not only on the optimality of measures taken and the application of innovations, but also on factors such as human resources, funding, as well as geopolitical location and natural resources of the region

(Figure 3).

5. CONCLUSIONS

In order to ensure sustainable economic development and achieve economic growth in our country on the basis of accelerating socio-economic reforms, it is expedient to take into account the following:

- 1) Improving and simplifying the legal framework governing the economy;
- 2) Individual approach to the definition of measures, based on the scientific and socio-economic situation of each region;
- 3) Improving the professional skills and quality of retraining in the real sector of the economy;
- 4) In-depth study of the experience of foreign countries in socio-economic development and the development of optimal ways to apply them;
- 5) Increasing investment attractiveness and effective use of investments, ie, first of all, to modernize and diversify production and create new jobs;
- 6) Strengthening the rights and protection of private property and ensuring its strict inviolability, etc.

In short, the ongoing socio-economic reforms in our country contribute to the sustainable development of the economy, the development of social spheres, and ultimately employment and well-being.

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