A STUDY ON THE REGIONAL LEVEL OF ECONOMIC GROWTH AND THE PRINCIPLES OF ITS CHANGE

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ABSTRACT

This article analyses economic growth of the regions of Uzbekistan and the principles of its change. In order to run some research we employed data from the database of the Statistical Committee of Uzbekistan. Obtained results showed that growth of the regions differ from each other. Some regions with higher capacity and potential contributing greater level of the growth of the country.

KEYWORDS: *Economic Growth, Regional Indicators, Property Structure, Economic Zone, Competitive Advantages, Economic Cooperation.*

INTRODUCTION

By structural components of economic growth we mean the degree of change in the main components of GDP. The components include sectors of the economy, regional indicators, property structure, imports and exports, labor, investment, labor, ecology and a number of other components. One of the main challenges of socio-economic policy today is to ensure sustainable economic growth and improve the living standards of the population by increasing real incomes. One of the main reasons for the stability of economic growth in developing and developed countries is the balance between the structural units of these economies. The downturn in the economy is usually due to the unhealthy functioning of some of the components of the economy. At present, it is important to develop its components in order to ensure economic growth and maintain its stability. In order to ensure the well-being of the population in a developing market economy, it is necessary to increase the real share of GDP in the national economy per capita. To do this, it is necessary to carry out radical reforms in the economy, to comprehensively implement the level of development of its components. The study of the economic system, not as a whole, but as a sector and a component, allows a clear analysis of economic indicators and the identification of a lagging

component of the economy and the solution of its problems.

LITERATURE REWIEV

In order to improve the structural aspects of economic growth, it is necessary to first study the development of scientific approaches to the study of this issue. Scientific research on economic growth dates back to the 18th century. F. Quesnay (Economic Table, 1758) was the first to conduct scientific research on the structural characteristics of the economy and gross output.

In the early nineteenth century, For the first time, J.B. Seydivided the movement of goods into three stages: production, distribution, and consumption. J.S. Mill, on the other hand, divided the movement of gross output into three processes: production, distribution, and exchange.

From the second half of the twentieth century, J.B.Clark and J. Furatsye began a new phase of research on the analysis of the structural aspects of the economy to ensure the stability of economic growth. According to their research, the economy is divided into three main sectors (components): the first (agriculture), the second (industrial production) and the third (services). Bell later worked on the service sector to clarify it. Later, the fourth and fifth sectors of the economy emerged. The study of economic sectors by composition allows for a clear analysis and study of economic indicators.

Schumpeter was the first in economic theory to distinguish between the concepts of economic growth and economic development. Schumpeter himself describes the difference between the two concepts as follows: "You can place as many mail carts as you want - but you can't have that on the railroad." is the emergence of the desired innovation. Economic growth is an increase in the volume of production or consumption of a good or service over a period of time," he said.

The concept of the structural components of economic growth was first introduced to science by great economists such as J.M. Keynes, Adam Smith, Turgot, and J. Steuart, who argued that "economic development drives the restructuring of the economy." David Ricardo (1817) said that "structural restructuring of the economy is important for its development."

W. Baumol divided the economy into sectors and divided these sectors into "technologically developing" and "technologically stable" sectors. He said, "... In technologically advanced sectors, there is an acceleration of innovation processes, a deepening of capital and an increase in efficiency, while in a technologically stable sector, there is a random increase in efficiency." he said. It is clear that Baumol put forward the theory of the effective use of techniques and technologies for the structural improvement of economic growth.

"One of the most important problems in the theory of economic growth is to understand the relationship between personal savings and investment," Lewis said. 4-5% of the created national product goes back to the economic process, and 10-12% goes to personal savings. The same thing is one of the main problems of economic growth, because to ensure economic growth, you need a strong capital turnover. An increase in the accumulation of capital leads to the emergence of idle capital." A. Lewis focused on the amount of fund investment to ensure greater economic growth.

Kuznets (1959) described "content" as "... parts that are consistently connected to each other, each of which has a specific function but works toward a single goal." Syrquin, on the other hand, saw the most convenient use of "content" in the history of development and economics as "the use of the relative superiority of production and factors in the economy." Chenery

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(1960) called structural change "a large-scale process of gathering resources and allocating them according to demographic location." Ishikawa (1987) describes restructuring and structural development of the economy as "changes in the share of aggregate indicators in the economy, such as the growth of national product, exports and imports, population and labor force."

According to Lendesman, the concept of structural change and structural growth takes place in two types: changes in the structure of content (production, number of employees, exports, imports, etc.); changes in the relationship between content, the relationship between production and labor, or direct investment, import / export dynamics, and so on. Structural change refers to the qualitative and evolutionary development of economic systems. Typically, structural changes in the economy are accompanied by technological and administrative changes. Technology, literacy, and institutional units, which are important drivers of the economy, have a significant impact on the structural aspects of economic growth. If we look at the history of research on improving the structural aspects of economic growth and restructuring the economy, this process has been in the spotlight of all prominent scientists around the world. F. Brodelya, J. Galbraith, L.V. Inoremsev, M. Porat, I. Rostov, E. Toffler, and other scholars have argued that scientific view and information on the sustainability of economic growth, industrial and post-industrial relations, the role of structural change in economic development, and their impact on economic growth.

B.B. According to Seligman, economic growth "... is manifested in its extreme form. The perfect theory of economic growth must take into account natural resource accounting, political institutions, the rule of law, and many social and psychological factors. If we look at all the known economic theories, almost all of them have shortcomings. "

E. Corso Scientific and methodological aspects of inclusive growth indicators and econometric approaches to their assessment P.Vellala, M.Madala, U.Chattopadhay, Inclusive growth processes CH.Aoyagi, G.Ganelli, issues of ensuring inclusive growth on the basis of macroeconomic stability, human capital, structural changes, foreign investment and freedom of foreign trade R.Anand, S.Mishra, SH.J. Reviewed by Peiris. Among the indicators considered in the above research, employment, labor productivity, and structural changes are at the forefront.

METHODOLOGY

The study of the processes of the market economy system in a country shows that over the years there have been significant structural changes in the enterprises of the real and financial sectors. These changes aimed at primarily at ensuring the independence and inviolability of the state, economic, as well as energy and food security, the rational use of rich natural economic potential. An analysis of the results of the development of the real sector during the years of independence shows that many manufacturing enterprises have adapted to market conditions and established high-efficiency production with the help of state support. Today, the real sector is a growing industry, which produces more than a hundred industrial products. Such a huge production capacity has changed radically during the years of independence and has reached a level where it can easily compete with any foreign-made products for certain types of products. This was due to structural changes in the production of basic consumer goods for both domestic and foreign markets.

The number of real sectors represents the industrial development of the country, its economic and scientific-technical potential, economic independence. Therefore, it is necessary to determine and analyze the impact of economic growth on GDP growth. To do this, use the system of equations of the least squares method:
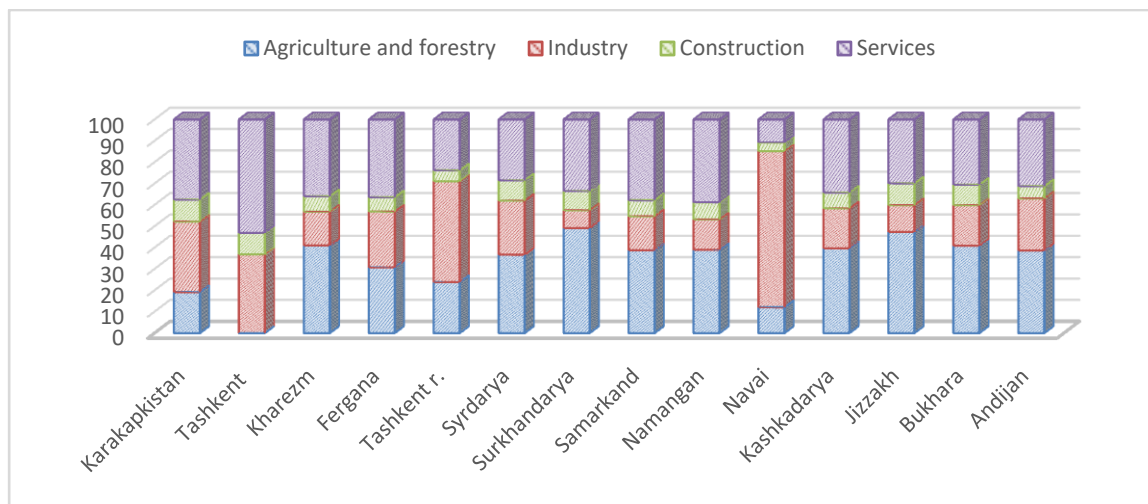
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$$y = a + b_1 \times x_1 + b_2 \times x_2 + \dots + b_n \times x_n + e \qquad (1.1)$$

We use the following system of equations to find the unknown terms of the above linear equation:

$$
\begin{cases}
\sum y = ma + b_1 \sum x_1 + b_2 \sum x_2 + \dots + b_m \sum x_m & (1.2) \\
\sum y x_1 = a x_1 + b_1 \sum x_1^2 + b_2 \sum x_2 x_1 + \dots + b_m \sum x_m x_1 \\
\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \\
\sum y x_m = a x_m + b_{1\sum} x_1 x_m + b_{2\sum} x_2 x_m + \dots + b_m \sum x_m^2
\end{cases}
$$

Here, the y-dependent variable is the result of the influence of factors, the x-independent variable and the factor sign, the b-regression coefficient represents the average effect of a one percent change in the factor on the change of the resultant sign, the a-is an coefficient. $\square$, is an unexpected economic quantity, represents the deviation between the factors and the resulting sign, represents the number of m-factors. This calculation method can be used to determine the extent to which the 1percent growth of the factor will affect 1 percent growth of GDP.

RESULTS AND DISCUSSIONS

The analysis shows that the growth dynamics of industrial production in the regions in 2018-2020 is shown in Figure 4.1 below. If we compare the value of industrial output in 2020 with the value of industrial output in 2018, we can see that in Jizzakh, Andijan, Navoi, and regions this indicator has grown, and in Namangan, Ferghana and Syrdarya regions it can be seen that sustainability provided.

Figure 4.1 Growth of regional gross domestic production from 2018 to 2020 (%)

Source: State statistics committee of republic of Uzbekistan

In January-June 2020, high growth rates were recorded in Andijan (105.0%), Navoi (104.3%) and Namangan (103.1%) regions. Compared to the corresponding period of 2019, GRP decreased in comparable prices in Samarkand (96.1%), Syrdarya (96.9%), Kashkadarya (97.9%) regions and Tashkent (99.5%).

In January-June 2020, Tashkent made the largest contribution to the formation of GDP in the country with a share of 16.0%. Tashkent region is next with 10.4% and Navoi region with 8.7%. The lowest share in the formation of the Uzbekistan's GDP is in Syrdarya (1.9%), Jizzakh (2.7%), Khorezm (3.5%) regions and the Republic of Karakalpakstan (3.5%).

Figure 4.2 Sectoral structure of Gross Regional Product by January-June 2020 (in % to GDP)

Source: State statistics committee of republic of Uzbekistan

In January-June 2020, the highest share of agriculture, forestry and fisheries in GRP was in Surkhandarya (49.2%) and Jizzakh (47.4%) regions, with the highest share of industry in Navoi. (73.1%) and Tashkent (47.2%) regions, the highest share of construction is in the Republic of Karakalpakstan (10.3%) and Jizzakh region (10.2%), and the highest share of services is in Tashkent (53)., 1%) and Namangan region (38.8%).

The lowest share of agriculture, forestry and fisheries in GRP is in Navoi region (12.1%) and the Republic of Karakalpakstan (19.2%), the lowest share of industry is in Surkhandarya (8.3%). %) and Jizzakh (12.5%) regions, the lowest share of construction in Navoi (4.0%) and Tashkent (5.1%) regions, the lowest share of services in Navoi (10.8%) and Tashkent (23, 8%) were recorded in the provinces.

CONCLUSION

The main directions for the development and implementation of long-term strategies for economic development and competitiveness are:

- Taking into account the national interests and priorities of modernization of the economy at the national level;

- Creation of a single economic zone and interregional economic integration

Development;

- The state, regions and sectors in the regulation of socio-economic development

Compatibility of interests;

- Taking into account the specifics of the natural and economic potential of each region, their competitive advantages through the possibilities of clustering methods;

- Formation of legal, economic and organizational mechanisms for the implementation of the strategy of socio-economic development, strengthening competitiveness at various regional levels.

The main directions of increasing the competitiveness of the region in terms of economic development strategy and regional interests are:

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-Use of existing competitive advantages in the production of consumer goods

-Increase efficiency (light and food industries, fuel and energy complex, etc.);

-Creation of a number of new industries (metallurgy, cement industry, etc.), taking into account the mineral raw material base;

- Effective use of rich natural and economic resources, primarily agricultural raw materials, local building materials, growing demographic potential and labor market (organization of localized and labor-intensive production);

-Economic cooperation with neighboring regions, including foreign countries;

-Convenient transit of the region to significantly increase the potential, as well as the export of goods and services (transport, tourism, recreation, etc.) expanding the use of opportunities;

-Providing social guarantees for the population through the formation and development of the regional consumer market, creating conditions for the gradual increase in the welfare of the population (rapid growth of incomes, development of social infrastructure and services and others);

-Environmental protection and rational use of natural resources (land, water,mineral resources, etc.);

-Increasing the investment attractiveness of the region, the introduction of effective mechanisms and forms of incentives for local and foreign investors (development of regional cluster systems, the formation of free economic zones, etc.).

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