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THE NECESSITY AND RELEVANCE OF STUDYING SECTORAL ECONOMICS: CURRENT PROBLEMS AND SOLUTIONS

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Abstract: This article examines the theoretical and practical necessity of in-depth study of sectoral economics, current challenges in this field, and possible solutions. The analysis of sectoral economics plays an important role in gaining a deeper understanding of a country's economic structure, ensuring efficient allocation of resources, and properly directing investment policy. Using the example of Uzbekistan's economy, the article analyzes intersectoral investment flows, real projects, and their socio-economic effectiveness. Special attention is also given to the role of the human factor, innovative approaches, and the importance of institutional reforms.

Keywords: sectoral economics, structural transformation, investment policy, human factor, economic analysis, Uzbekistan.

In the modern global economy, macroeconomic indicators such as gross domestic product, inflation, or unemployment rates are unable to provide a complete picture of economic processes. Behind these general indicators lie complex structural processes taking place within different sectors of the economy.

Sectoral economics is a field of economic science that analyzes interactions and changes among individual sectors of the economy, such as agriculture, industry, energy, and services, and it plays a crucial role in shaping economic policy. For rapidly growing economies like Uzbekistan, ensuring proper intersectoral balance, efficient resource allocation, and adaptation of human capital to new conditions has become one of the most pressing challenges.

The main objective of studying sectoral economics is to understand economic changes at the level of internal structure, identifying which sectors demonstrate high growth rates and which experience decline. Economists such as Kuznets, Chenery, and Lewis recognized intersectoral transition, or structural transformation, as the foundation of economic development. According to their theories, economic growth is driven by the movement of production factors—labor, capital, and resources—toward sectors with higher productivity.

The efficiency of each sector largely depends on the knowledge, skills, and motivation of human resources managing it. For instance, the industrial sector requires skilled engineers to adopt new technologies, while the IT sector demands young professionals with advanced digital skills. Therefore, it is impossible to study sectoral economics without taking the human factor into account.

At the global level, according to World Bank data for 2023, 27 percent of global employment is concentrated in agriculture, 22 percent in industry, and 51 percent in the service sector. In developed countries, the share of services exceeds 70 percent, while in developing countries it ranges between 40 and 50 percent. These figures indicate that the sectoral transition from agriculture to industry and then to services continues to be a defining feature of economic development.

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In Uzbekistan, according to data from the State Statistics Committee for 2024, industry accounts for 32.6 percent of the economy, agriculture for 24.1 percent, and services for 43.3 percent. These figures show that the share of the service sector is increasing, indicating that Uzbekistan is undergoing a stage of structural economic transformation.

Between 2020 and 2024, investments totaling 18 billion US dollars were attracted to Uzbekistan's energy sector. Among them is the Karakalpakstan Wind Project, valued at 2.4 billion US dollars, implemented with investment from the United Arab Emirates and involving the construction of a 1,500 MW wind power plant. Another major initiative is the Waste-to-Energy project worth 1.3 billion US dollars, designed to process 4.7 million tons of waste and generate 2.1 billion kilowatt-hours of electricity. In addition, a nuclear energy project is planned in cooperation with Rosatom, with construction expected to begin in 2026.

In the digital technology sector, IT Park Uzbekistan aims to train more than 15,000 IT specialists by 2025 and generate one billion US dollars in export revenue. Within the framework of the Digital Uzbekistan–2030 strategy, 80 percent of public services are being digitized.

In agriculture and the food industry, investment volumes reached 14 trillion soums in 2024. A total of 350 new agro-industrial clusters were established, creating more than 100,000 new jobs.

Despite progress, several issues still require solutions. These include insufficient availability of disaggregated sectoral data, low institutional coordination among sectors, mismatch between workforce skills and technological requirements, imbalance in investment flows across sectors, and vulnerability to global risks such as energy price fluctuations, climate change, and disruptions in logistics chains.

Modernization of sectoral data systems through the digitalization of state statistical systems based on international methodologies is essential. Establishing intersectoral coordination councils would help integrate policies and strategies among industry, energy, agriculture, and the digital economy. Human capital development programs based on the lifelong learning model should be expanded to retrain the workforce. Innovative investments, particularly in start-ups and green economy projects, should be encouraged through tax incentives. Furthermore, public–private partnership mechanisms should be expanded and simplified, especially in energy, infrastructure, and digital sectors.

The success of intersectoral policy largely depends on the human factor, including the decision-making culture of policymakers, entrepreneurs, professionals, and consumers. When human resources are prepared for change, sectoral transformation yields positive results. Therefore, the principle that human development lies at the center of economic growth should be a core concept in the analysis of sectoral economics.

The study of sectoral economics is an integral component of modern economic policy, contributing to economic stability, rational allocation of investments, and effective development of human capital. Uzbekistan's experience demonstrates that intersectoral investment harmony combined with a human-centered approach serves as a solid foundation for sustainable economic growth.

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