

REGIONAL POLICY OF UZBEKISTAN: PRIORITIES AND THE PRINCIPLES OF IMPLEMENTATION

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Abstract: The article substantiates methodological approaches to the development of regional policy, as well as priorities and principles of its implementation. The main objectives, structure and content of the regional policy are formulated. The prerequisites for the economic development of regions that affect their competitiveness are identified, and long-term and medium-term priorities of regional policy are substantiated.

Keywords: regional policy of the country, regional economic development, cluster approach, management mechanisms.

Introduction. The effective development and functioning of regions largely depends not only on all types of resources available to them : production , labor , financial , natural , innovation , but also on the rational use and implementation of a sound investment policy. The latter should include managing the distribution of investment resources in the region to obtain the maximum possible result from the investment potential of the region.

In economic Research on the problem of state regional policy is considered in various aspects , such as the relationship between levels of regional policy (state and local), the difference between objects and subjects of regulation, the methods used and means of attracting investment resources , the role of regional authorities in implementing regional policy and ensuring sustainable socio-economic development of regions, coordinating the interests of the state center and regions, solving problems of socio-economic development of regions based on the use of competitive advantages, taking into account regional aspects of various types of policies, interaction of regions in a single economic space, differentiation of social and economic development of regions [1-5].

Priorities and principles of regional policy. State socio- economic policy is a concentrated reflection of the interests of society, and it is the interests of society that are the incentive and engine of social development. At the same time, it is necessary to take into account the fact that society is heterogeneous. It is represented by various groups of the population united by common interests.

The goal underlying the state economic policy is aimed at uniting the interests of the entire society and is to create a competitive economy that ensures the socially oriented development of the country and its security. The key elements of socio-economic policy are categories such as priorities and principles for implementing these priorities.

Priorities of state socio-economic policy are a well-founded set of priority tasks for the socio-economic development of the state, the solution of which is aimed at achieving strategic goals. The principles for implementing state socio-economic policy in relation to the problem of socio-economic development represent the methodological basis of the management system and reflect the objective laws of socio-economic development. The principles may be mutually contradictory.

For example, the principle of economic efficiency is associated with the pattern of searching for solutions that minimize production costs. If this minimization occurs due to lower

wages and reduced costs for environmental protection measures, then this will conflict with the principle of social justice and the principle of environmental safety.

Creating an effective management system is about finding a balance in the use of established principles. The implementation of the principles should be reflected in the legislative framework underlying the management system and used instrument mechanism of the control system. Speaking about regional policy, it should be said that it is not unambiguous and multifaceted [6-9].

Result. The first direction can be defined as “state regional policy,” the subject of which is understood as the spatial organization of the economy and the living conditions of the population. At the heart of spatial development The state is responsible for the social division of labor and the distribution of productive forces that ensures the most efficient use of resource potential. In the system of state regional policy, regions are objects of management, in relation to which the state makes fundamental decisions that determine the future specialization and role in the socio-economic development of the state.

State regional policy, first of all, will be reflected in the system of documents that are developed by ministries and departments. For example, it is presented in the “Strategy for the Development of New Uzbekistan for 2022 - 2026”, Decree of the President of the Republic of Uzbekistan, dated January 28, 2022 No. UP-60¹.

Among the priorities of this concept are: the formation of a new supporting framework of the country from regions - “locomotives of growth”; formation of regional modules of the innovation system; creating conditions for industrial modernization, support and development of competitive production (territorial) clusters; creation of a human resource management system; improving the quality of public administration in regions and localities education - these priorities are based on the principles of polarized development, synarization of actions, as well as the principles of “preference for reforms” and subsidiarity. We can say that this direction of regional policy is aimed at stimulating the economic growth of regions that have such competitive advantages that give them the opportunity, with government support, to quickly join the system of world economic relations.

Long-term priorities include the following priorities of the country’s regional economic policy:

1. Creating conditions for the development and growth of human potential. In the modern world, there is a direct correlation between the prosperity of a state and the quality of its human resources. A highly technological innovation economy requires high human potential. The human potential index is determined on the basis of indicators characterizing the health, level of education and income of the population, i.e. This is an integral indicator that reflects the level of economic development and its quality, the level of development of the education system, healthcare system, state of the ecological environment, etc.

We can say that this priority is common to most regions, but the specific features of the region determine the specifics of its implementation.

2. Development of highly theoretical sectors of the economy. This priority means the development of production based on the use of scientific achievements, ensuring an increase in labor productivity, resource conservation and an increase in the production of products with a high share of added value. The insusceptibility of the economy to the development of innovative

¹ Development strategy of New Uzbekistan for 2022 - 2026”, Decree of the President of the Republic of Uzbekistan, dated January 28, 2022 No. UP-60.

sectors in it is explained by the lack of demand for innovative products, high risks in their creation and the lack of interest in its creation on the part of structures that actually have financial resources (table).

3. Creating a favorable investment climate in the region. It is no coincidence that global and domestic agencies regularly analyze the investment climate in different regions and countries and determine investment ratings of territories on this basis. These ratings inform businesses about the presence or absence of additional , unjustified costs when doing business in a given territory.

4. Creating conditions for the production and promotion of products that are competitive in the domestic and global markets. It is necessary to organize territory marketing (participation in international exhibition with demonstration of products produced in the region, organization of fairs, development of twinning relations between cities, use of theoretical media to advertise products and services, etc.). As for medium-term priorities, they are determined by the problems that the state faces at the present stage of development, and which lead to a serious long-term crisis.

These problems are primarily related to the inefficient structure of the economy and high dependence on imports. Therefore, among the most important Medium-term priorities of regional economic policy include:

➤ reindustrialization of industry. At the present stage, reindustrialization closely intersects with the idea of import substitution . The political situation and the state of the country's economy indicate the need for the urgent implementation of this priority. Until now, this task has not been solved due to the lack of economic demand for import substitution : import substitution had a competitor - the world market.

Economic sanctions create “favorable” preconditions and force the economy to switch to the trajectory of reviving its own industry. The demand for import substitution should be organized, first of all, by regional authorities. To do this, it is necessary to analyze government procurement, the structure of imports and act as an organizational and financial participant in the development of import-substituting industries.

In addition, it is necessary to analyze the production and labor potential of the country's constituent entities and assess the possibilities of using them for the production of import-substituting products; assess the missing economic potential; develop optimal the development and placement of enterprises for the production of import-substituting products; develop a plan for launching this project;

➤ modernization of traditional industries. First of all, we are talking about industries such as agriculture , forestry and wood processing, light and food industries, production of building materials, etc. The problem of modernization of traditional industries is very closely related to the problem of spatial development of the state, especially the problem of the development of small towns and rural areas. As part of the implementation of this priority of state economic policy, it is necessary to create conditions for the formation of territorial clusters that ensure the production of products that are competitive in the domestic and foreign markets. This will be accompanied by the creation of a new modern jobs , income growth of the population and will serve to solve the problem of rational settlement and preservation of the rural way of life;

➤ infrastructure development. First of all, we are talking about the formation of a sustainable energy and gas supply network. Making titanic efforts to search external gas consumers, we should not forget that the level of gasification of the country's economy and

population is about 60%. Many settlements are not have constant transport connections with neighboring settlements and regional centers. Large - scale development of highways is necessary .

The basic principles for the implementation of long-term and medium -term priorities of state economic policy include the following (Fig. 1-2).

1. The principle of public-private partnership. The need to take into account and use this principle reflects such a pattern as the weak interest of private business in high-risk projects with a long payback period. So far , only the state self-development is interested in the development of highly technological sectors of the economy, while the oil and gas sector is only interested in the appropriate equipment and pipeline system, and the banking sector is primarily interested in the exchange rate and access to foreign loans. It is known that the development of Silicon Valley in the USA took place thanks to the real interest of the state in the theanological breakthrough and powerful state financial support for this project. In order for this principle to work, it is necessary to create a large state investment bank that provides loans at a very low interest rate.

Table 1

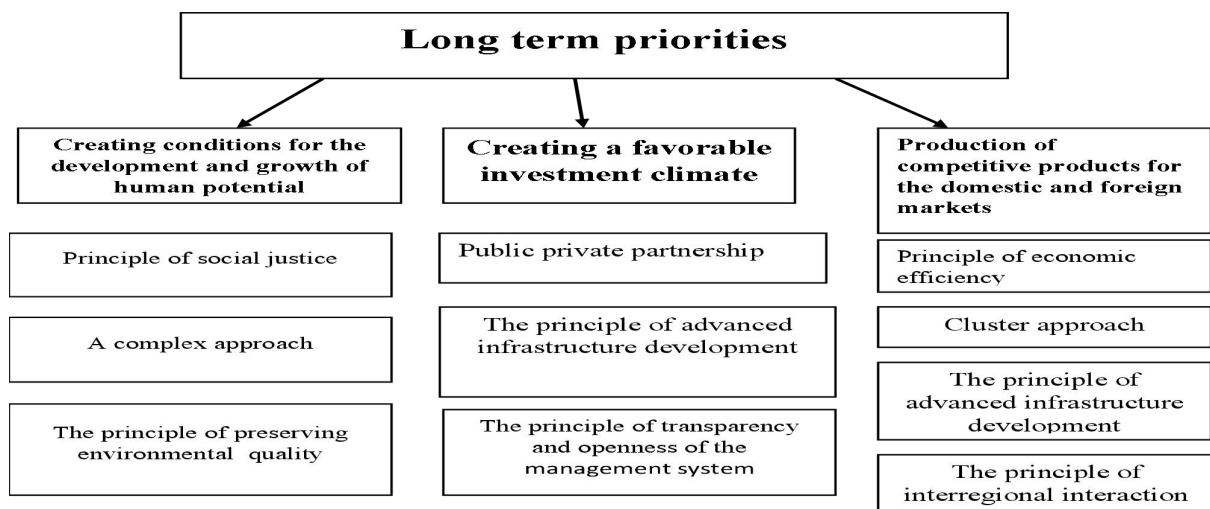
Matrix of interests and capabilities of various subjects of socio-economic development²

| Possibilities Interests | State center | Subject R Uz | Munitz - image - tion | Finan - owl sector | Raw materials business | Non-raw materials - howl business | Budget - new organi - tions | Sector services | Nase - lazines s |
|--|-----------------|-----------------|-----------------------------------|--------------------------|------------------------------|--|--------------------------------------|--------------------|------------------------|
| Import - substitution | + | + | + | + | + | - | - | - | - |
| | + | + | + | - | - | + | - | - | - |
| Development high thean o - logical sectors eco nomics | + | - | - | + | + | - | - | - | - |
| | + | + | - | - | - | + | - | - | - |
| Developm ent infra - structures | + | - | - | + | + | - | - | - | - |
| | + | + | + | + | + | + | + | + | + |
| Modern and - tion tradition - tions sectors economy | + | + | + | - | + | - | - | - | - |
| | + | - | + | + | - | + | - | - | - |
| Development human potential | + | - | - | + | + | - | - | - | - |
| | + | + | + | - | - | + | + | + | + |

² Lexin VN Regionalnaya politika v kontekste ugroz i riskov stabilnogo funktsionirovaniya gosudarstva . [Regional Policy in the Context of Threat and Risks for Sustainable Functioning of the State]. Problemnyj analize i gosudarstvenno-upravlencheskoe design _ [Problem Analyzes and Public Management Planning]. 2013. Vol . 6, no . 5.Pp. __ 89-98. (rus)

2.The principle of comprehensive podaoda . Taking into account this principle is especially clear in the example of modernization of the rural economy: it is pointless to direct money to the development of rural economy if it is not possible to attract qualified personnel to this area.

3.The cluster approach and the principle of interregional interaction are associated with the creation of a single economic space of the country and the implementation of its competitive capabilities in the world economy. Formation of local regional clusters will make it possible to



more effectively use the resource potential of the region.

Table2. Long-term priorities and basic principles for the implementation of state economic.
The principle of advanced infrastructure development. The experience of successful global practice in implementing large projects shows that they all begin with the creation of infrastructure.

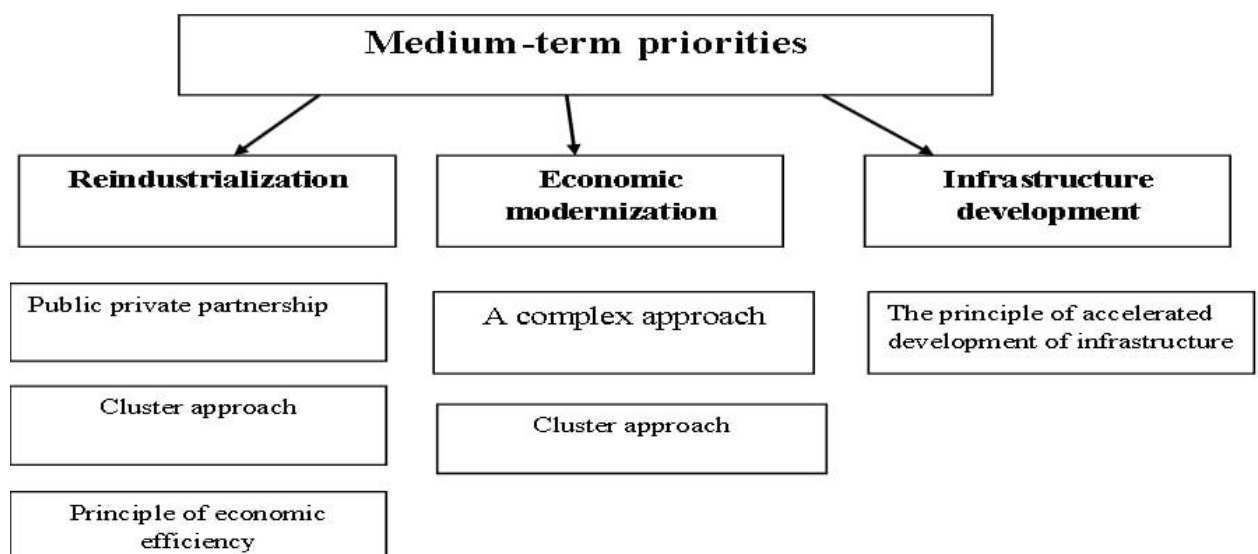


Table 3. Medium-term priorities and basic principles for the implementation of the state economic.

Classical principles: principles of economic efficiency, social justice, preservation of environmental balance, etc.

Analysis and results. Over the past three years, Uzbekistan has been pursuing a targeted regional policy. Profound institutional changes have taken place, measures have been taken for the integrated development of regions, and targeted comprehensive regional programs are being implemented. These measures are aimed at modernizing and diversifying the regional economies, increasing the level of competitiveness of regional economies in the global economic process, ensuring stable economic growth and, most importantly, achieving a high level of well-being of the population. The regulations adopted by the country's government served as the basis for economic diversification and led to structural changes in the regional economic sectors.

An analysis of changes in the sectoral structure of the economy of the regions of Uzbekistan for 2022-2023 showed that during the analyzed period in almost all regions of the country, the share of industry in the formation of GRP increased significantly.

Based on the results obtained from the analysis of the sectoral structure of the regional economy, we can conclude that the most profound Structural changes (more than 10 percentage points) were achieved by the Republic of Karakalpakstan, Jizzakh, Kashkadarya, Navoi, Samarkand and Tashkent regions, and the city of Tashkent. The rest of the regions also had positive structural changes in industry structurea their economies, but the results were lower compared to the results of the group of leading regions.

The existing structural changes in the industry The structure of regional economies affects the socio-economic situation of the regions and, accordingly, the rate of real GRP growth through the contribution of industries to its growth. The results of the analysis show that in the group of regions that achieved the highest GRP growth rates for 2000-2019 (Tashkent city (5.7 times), Jizzakh (4.5 times), Andijan (4.1 times), Samarkand (4 times) times) region and the Republic of Karakalpakstan (3.5 times)), the main determinants of economic growth were the industrial and service sectors, with the exception of the Jizzakh region, where the determinants were agriculture and services.

To the group of regions that have reached moderate rates of economic growth of GRP (more than 3 times), can be attributed to Namangan (3.9 times), Suraandarya (3.7 times), Aorezm (3.6 times), Buaar (3.4 times) and Tashkent (3,1 times) area³.

Conclusion. Summarizing the results obtained from the analysis of structural transformations and the contribution of industries to the growth of GRP of the regions of Uzbekistan, we can conclude that in regions that fall into groups with moderate and low rates of economic growth, it is advisable to more intensively develop industrial and service sectors in the near future.

Quality of regional economic growth. To achieve these goals, regions need to develop medium-term strategies for the development of regional economies, focused on stimulating the development of industries and services. A special place in the formation of strategies should be given to short-term investment programs, where the main The characteristics of projects should be the efficiency indicators of the introduced and modernized production capacity.

Ensuring broad participation of the private sector and small businesses in the implementation of these projects will contribute to a significant increase in the competitiveness

³ www.Cerr.uz

of the products and services produced, which will ultimately serve as the foundation for the growth of the competitiveness of the region's economy and ensure high growth rates of the regions' GRP.

Another important result obtained from the analysis of the sectoral structure of GRP of the administrative- territorial divisions of Uzbekistan and the contribution of industries to the growth of GRP for 2022-2023. is the following conclusion. Some regions lag behind in terms of economic growth, despite the same natural resource and infrastructural potential as other regions. An example is the Navoi region, which has rich natural resources and has enormous potential for industrial development. However, during the analyzed period, in terms of cumulative GRP growth, it had the lowest values compared to other regions of Uzbekistan.

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