

Analysis Of Factors Affecting Macroeconomic Sustainability

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Abstract: This article examines the factors that influence the provision of stable economic growth of a country. The share of regions in the republic's GDP is analyzed and the corresponding conclusions are made. Including, based on the opinion of scientists-economists, author's definitions are given for some economic terms. It is recommended to use some economic terms to determine the macroeconomic stability of a country.

Keywords: gross domestic product, economic growth, macroeconomic stability, gross regional product, gross national product.

1. Introduction

In recent years, the Republic of Uzbekistan has been ensuring stable economic growth and the government has set new priorities to strengthen it. As the President noted, "The main tasks are to ensure macroeconomic stability, curb inflation, de-monopolize the industries, abolish state pricing and eliminate the 'shadow economy'." [2]

Today, one of the priorities of socio-economic policy in the implementation of economic reforms in the country is to increase the competitiveness of manufacturing enterprises, the organization of modern trade services in the timely delivery and sale of quality, competitive products to consumers for foreign and domestic markets, as well as the effective use of these services.

One of the five priorities of the development strategy of Uzbekistan is "Institutional and structural reforms aimed at further development and liberalization of the economy, strengthening macroeconomic stability and maintaining high economic growth, increasing the competitiveness of the national economy, modernization and accelerated development of agriculture, reducing state participation in the economy. active foreign investment in sectors and regions of the economy of the country through the protection of private property rights and strengthening its priority position, stimulating the development of small business and private entrepreneurship, integrated and balanced socio-economic development of regions, districts and cities, improving the investment climate to attract." [1]

In the process of radical economic reform in our country, it is necessary to ensure the socio-economic development of the regions. It is impossible to develop the national economy without boosting the economies of the regions and deepening reforms. Because it is the regions that determine the pace of development of the national economy, its characteristics in many ways. The existing natural resources, demographic situation and human resources, administrative-territorial structures, indicators of socio-economic development play a decisive role in this.

There is a concept of sustainable economic growth in the economy, which is a separate component of sustainable development. Sustainable economic growth is economic growth that results from the positive and reciprocal growth dynamics of a country's economic growth rates over a given period of time (usually five years). Each country strives to ensure economic growth. Because economic growth leads, firstly, to an increase in national output and income, secondly, to the efficient use of resources, thirdly, to the emergence of new needs and opportunities, and fourthly, to an increase in the country's prestige in international markets. In addition, it is necessary to take into account the factors that affect sustainable economic growth. They include: quantity and quality of natural resources; quantity and quality of labor resources; fixed capital volume; technology, entrepreneurship and information. Therefore, one of the urgent issues is the scientific and practical study of the factors influencing the development of market relations and economic growth in the context of modernization of the economy.

2. Analysis of the literature on the subject

According to A. Olmasov and A. Vakhobov, scientists in this field, "Economic growth is the development of the economy, that is, the increase in the production of goods and services that are vital goods. Economic growth is usually measured by GDP growth or GDP growth per capita. There is the concept of economic growth efficiency, which is the end result of economic growth and represents the extent to which gross domestic product has grown. The efficiency of economic growth is the cost of economic growth, which is determined by the ratio of GDP growth to cost growth. [7]

In the methodological study of the change in the volume of gross domestic product, it is important to study the dependence of the main factors influencing it. At the same time, labor and capital were taken as the main factors involved in the creation of gross domestic product. To further accelerate the sustainable growth of GDP in Uzbekistan, the following measures should be taken:

- improving the process of economic transformation;
- further development of private property and private entrepreneurship in the country;
- more efficient use of labor force in the country;
- development of new production enterprises based on high technologies and increase of investments;
- modernization of existing facilities and technical and technological modernization of production;
- full mobilization of all available reserves and opportunities to ensure sustainable economic growth, etc. [8]

According to H. Abdulkasimov, "economic growth" is an increase in the volume of production of the national economy per capita or the economy as a whole over a period of time (usually a year).

Many economists have conducted scientific and practical research on economic growth. They studied the mechanisms of economic growth and developed models of economic growth. According to economic theory, current economic growth models are divided into 3 main groups: Keynesian and Neo-Keynesian economic growth models, neoclassical economic growth models, and modern economic growth models. [3]

According to A. Nabixujaev, Y. Sherov P. Sultanov, "Economic growth is expressed in terms of GDP growth per capita compared to the previous year.

According to them, the following can be cited as conditions for economic growth:

- gross domestic product (GDP) produced in the current year is higher than in the previous year.
- "GDP growth will be higher than population growth, which means an increase in GDP per capita." [6]

In the textbooks written by russian economists T.A. Agapova, S.F. Seregina, "all economic units (enterprises, households), regardless of nationality and citizenship, which have a center of economic interest in the economic territory of the country (engaged in production activities or residing in the country for more than a year) are residents." [4]

Economists of the Republic D.K. Akhmedov, A.E. Ishmukhamedov in their textbooks described as "the sum of market prices for the final goods and services created in the geographical area of the country, regardless of the country to which the resources used in the production of gross domestic product." The new interpretation of the United Nations (UN) and the International Organization for Migration (IOM), adopted in 1993, clarifies the concept of gross domestic product (GDP) according to the new interpretation:

GDP is the sum of market prices for final goods and services produced by residents of a country over a period of time.

The reason why GDP is called "domestic" is that it is created by the country's residents. A resident is not only the legal and physical persons of a country. Because if a legal entity operates in the territory of another country for more than a year, it is considered a resident of that country.

"All economic units (enterprises, households), regardless of nationality and citizenship, which have a center of economic interest in the economic territory of the country (engaged in production activities, or residing in the territory of the country for more than a year) are residents."

Embassies and military bases remain the economic space of the countries to which they belong. This aspect is considered as the difference between economic and geographical area in the calculation of GDP.

GDP is calculated in three ways:

- 1) Manufacturing method.
- 2) Cost method.

3) Income method.

The volume of GDP calculated by all three methods should be equal to each other, excluding statistical errors. At the same time, all three methods require specific requirements in the calculation of GDP. [5]

3. Research methodology

In the scientific and practical study of the factors influencing the economic growth of the country, scientific conclusions were formed on the basis of statistical data, selective determination, theoretical, philosophical, objective approach, the use of methods of economic analysis. Methods such as a systematic and logical approach were used effectively based on the data collected.

Analysis and results.

The main indicators of macroeconomic stability of the country are:

1. Economic growth;
2. Full employment;
3. Price stability (inflation);
4. Power balance;
5. Stability of foreign exchange rates;
6. The state budget should not exceed three percent of GDP;
7. Problems of income distribution. [8]

Modern economic theory, based on economic growth, usually understands the long-term growth of the natural level of real production, which depends on the development of productive forces over a long period of time, rather than a real increase and short-term development of production.

The regions of our country have their own natural and economic potential, demographic situation and other conditions. It should be noted that regional development is not a scaled-down version of macroeconomic policy. Because each region is a unique natural resource socio-economic system, its development paths are different from macroeconomic development. Therefore, the regions need to constantly analyze the level of development and economic reforms, and if necessary, make changes to them.

It is known that the components of the natural and economic potential of the regions include mineral resources, land and water resources, population and labor resources, fixed assets, circulating production resources and private property of the population. Regions and regions differ sharply in the amount of these resources and the level of their use.

According to the Institute of Forecasting and Macroeconomic Research under the Ministry of Economy and Industry of the Republic of Uzbekistan, the highest natural economic potential is concentrated in Tashkent, Kashkadarya, Navoi and Bukhara regions. They contain about 60% of the total natural and economic potential of the country. The lowest potential is in Syrdarya, Jizzakh and Khorezm regions. They contain a total of 9 percent of the total capacity.

Kashkadarya, Tashkent, Navoi and Bukhara regions stand out among the regions in terms of the value of the industrially important part of fuel and energy and mineral resources. The regions with the lowest potential are Syrdarya, Khorezm, Andijan, Namangan and Fergana regions. Their raw material base consists mainly of small oil and gas and construction materials deposits of local importance.

The main part of fuel and energy resources of the republic falls on Kashkadarya, Tashkent and Bukhara regions. Most of the proven reserves of oil and gas condensate and natural gas are located in Kashkadarya and Bukhara regions. 97.4% of industrial coal reserves in the country are located in Tashkent region and 2.6% in Surkhandarya region.

The majority of non-ferrous and rare metals are in Tashkent and Navoi regions. The high weight of Tashkent region is due to the prevalence of rare metals such as copper, zinc and lead, while the weight of Navoi region is determined by rare metals (gold, silver).

Kashkadarya region (77%) and the Republic of Karakalpakstan (11%) rank high in the country in terms of the cost of raw materials for the chemical industry. In the first, potassium and common salt are common, and in the second, sulfate and common salt. However, the Republic of Karakalpakstan currently plays a key role in the

extraction of raw materials. Soup and technical salts are mined at the Khojakon deposit in this region. Navoi region has all the proven phosphorite reserves in the country.

Mirrors are mainly found in Tashkent (kaolin, plavikshpati), Navoi (feldspar, quartz sand) regions and Karakalpakstan (talca).

Cement resources are located in Tashkent and Navoi regions. Samarkand, Navoi, Bukhara, Kashkadarya, Jizzakh regions and the Republic of Karakalpakstan are rich in reserves of marble and granite needed for the production of decorative tiles.

Currently, the land fund of Uzbekistan is 44.8 million hectares, of which more than 70% is used in agriculture.

The most productive part of the land used in agriculture is irrigated land. The yield per hectare of irrigated land is 5-8 times higher than the yield from arable land and almost 100 times higher than the yield from pastures. At present, their output is 97% of the gross agricultural output.

The most important indicator of determining the quality of irrigated lands is the assessment of fertility quality. Irrigated lands of Namangan, Surkhandarya, Tashkent, Andijan, and Samarkand regions have high productivity. Gross agricultural output from irrigated lands is highest in Andijan, Tashkent, Samarkand and Fergana regions. The lowest rates are in the Republic of Karakalpakstan, Syrdarya and Kashkadarya regions. This is due to the deterioration of the reclamation of irrigated lands in the Republic of Karakalpakstan, Bukhara and Syrdarya regions compared to other regions. Pastures and hayfields occupy a large part of the total agricultural land in Navoi, Bukhara, Surkhandarya, Kashkadarya regions and the Republic of Karakalpakstan, so these areas have great potential for further development of animal husbandry.

Population and labor resources are the main indicators of the economic potential of all regions. Tashkent city (12%), Fergana region (10.8%), Samarkand region (10.2%) and Tashkent region (8.9%) account for the total number of labor resources of the country. In this regard, the share of Syrdarya, Navoi and Jizzakh regions is much lower.

Another key indicator of the country's economic potential is the level of development of fixed assets. Currently, Tashkent city, Tashkent region, Fergana region, Andijan region, Kashkadarya region are distinguished among the regions in terms of the amount of production funds. They contain more than 60 percent of the fixed assets of the country's productive forces. The increase in the economic potential of Kashkadarya and Andijan regions has been due to the construction of large industrial complexes in recent years. Also, the capacity of fixed assets of most regions is much lower. These include Jizzakh, Syrdarya and Khorezm regions.

From the above data, it is clear that the share of Kashkadarya, Tashkent, Navoi and Bukhara regions in the natural and economic potential of the regions of Uzbekistan is much higher. The Republic of Karakalpakstan, Jizzakh and Surkhandarya regions can be included in the list of regions that will be able to increase their economic potential due to the development of natural resources in the future. However, in the Fergana Valley, these opportunities are more limited.

From the point of view of geographical location, the Republic of Uzbekistan is naturally divided into the following regions: Fergana, Tashkent, Zarafshan, South, Mirzachul, Lower Amudarya. They differ in location, nature, mentality, local customs, population, production culture, labor skills, place in the economy, natural resources, and other aspects. [9]

Such diversity will also have an impact on the economic growth of the region. The share of regions in the GDP of the republic can be seen in the table below.

The share of regions of Uzbekistan in the GDP

Regions	Percentage of total population, %	Percentage of GDP, %	Share in gross industrial output, %	Share in gross agricultural output, %
Tashkent	17,8	29,4	29,6	14,3
Fergana	28, 6	21,1	26,5	24,3
Zarafshon	20,2	19,2	19,1	26,4
South Mirzachul	17,1	13,3	17,7	16,6
Lower Amudarya	4,4	7,2	2,3	9,3
Uzbekistan	11,9	9,8	4,8	9,1
Uzbekistan	100	100	100	100

The table shows that the characteristics of the regions listed above have affected the share of the region in GDP. At the end of 2019, the gross domestic product will reach 424.1 trillion sums in 2020. In the first quarter of this year, it amounted to 110.5 trillion sums, which is 3.25 million sums per capita. [11]

In 2019, the population of the republic amounted to 33,375,800 people. [10]

Analyzing the data for 2019, the share of Fergana region in GDP was high at 21.1% and the population is high. The share of Fergana region is 89.5 trillion sums (424.1 trillion sums: 100×21.1) (21.1% - share in GDP).

The share of the Fergana region is 9,545,478 people (33,375,800: 100×28.6) (28.6% - the share of the total population).

Based on the above, the gross regional product (GRP) of the Fergana region per capita is 9365691 sums (89.5 trillion sums: 9,545,478 people). If we convert it into US currency, it will be \$ 983 (9,365,691 soums: 9,530 soums) (the average exchange rate for that period was 9,530 soums).

Also, if we look at the Zarafshan region, its share in GDP is 81.4 trillion soums (424.1 trillion soums: 100×19.2) (19.2% - share in GDP), population 6741911 people (33 375 800 people: 100×20.2) (20.2% - share in the total population) . Using these indicators, we can determine the gross regional product per capita, which is 12,149,253 soums (81.4 trillion soums: 6741911 people). If we convert it into US currency, it will be 1275 dollars (12149253 soums: 9530 soums).

In the Tashkent region, the share of GDP is 123.4 trillion soums. (424.1 trillion soums: 100×29.4) (29.4% - share in GDP). The population is 5940824 people (33 375 800: 100×17.8). GDP per capita is 20,919,856 soums (123.4 trillion soums: 5940,824 people). If we convert it into US currency, it is 2,197 dollars (20,939,856 soums: 9,530 soums).

This means that the share of the region in GDP or the volume of gross regional product depends not only on the volume of production, but also on the population. In our analysis, the share of Fergana region in GDP is 89.5 trillion. If we look at the Zarafshan region, its share in GDP is 81.4 trillion soums. The gross regional product per capita is \$ 983 in the Fergana region, \$ 1,275 in the Zarafshan region and \$ 2,197 in the Tashkent region. If we take into account that in 2018 the GDP per capita in the country will average \$ 1,533, according to the analysis, economic growth was achieved only in the Tashkent region. However, relative economic growth has also been achieved in the rest of the region.

4. Conclusions and suggestions.

Achieving macroeconomic stability is largely due to the effective use of factors that contribute to GDP growth, improving its network structure, ensuring the optimal ratio of GDP components, selecting the most appropriate economic growth models, macroeconomic analysis and methodological improvement, the implementation of practical measures in this direction will accelerate the growth of the country's economy.

In addition to GDP, a number of other indicators are used to analyze the development of the national economy according to the national accounting system. These indicators include gross national income (GNI). This figure is essentially the same as the gross national product (GNP) calculated in the previous version at the request of the International Organization for Migration (IOM). Therefore, in many cases, the analysis of national economic development does not use the indicator of gross national product (GNP). The analysis of economic growth of individual regions uses indicators of gross regional product, but it is not clearly defined in the economic literature.

Using the above definitions of economists, we define gross regional product as follows: "Gross regional product (GRP) is the value of goods (works performed and services rendered) produced by residents and non-residents in a given period.

In our view, the gross national product (GNP) and gross national income (GNI) and gross domestic product (GDP) indicators are logically and structurally different. In particular, economic dictionaries show the difference between income and output. For this reason, in order to identify and analyze the economic growth of a particular country, it is expedient to recognize the GDP as a macroeconomic indicator. Therefore, it can be concluded that the analysis of the development of the country's economy, the identification of problems in the development of the national economy and the use of various economic indicators in the development of measures for its further development.

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