MODERN TRENDS IN THE ECONOMIC DEVELOPMENT  
OF THE REGIONS OF UZBEKISTAN

Abstract. This article analyzes the dynamics of regional growth, their differentiation, changes in the sectoral structure of production in the economy and the existing imbalances, the analysis and reasons of the development trends of the regions at different levels are highlighted.

Keywords: regions, economic growth, gross regional product, differentiation, sectoral structure, imbalances

The current state of the world economy due to the growing globalization, as well as the ongoing changes during the spread of the coronavirus pandemic, poses new challenges for the economy of the country and its regions to ensure stable and sustainable economic growth in the future. That is why comprehension of new realities, determination of methods and approaches to ensuring sustainable regional development is especially important today.

Comprehensive and balanced socio-economic development of regions, districts and cities, optimal and effective use of their potential is one of the priority directions of development and liberalization of the economy provided for in the strategy of actions in five priority areas of development of the Republic of Uzbekistan in 2017–2021 [1].

Consequently, an analysis of the trend in the socio-economic development of the regions of Uzbekistan will make it possible to determine the existing differences in the levels of development and disparities between the regions, the reasons associated with the effectiveness of using the potentials in these regions, depending on the existing sectoral structure and many other factors affecting growth, which will give the possibility of developing an effective policy to ensure sustainable development of regions in the future.
The study of the problems of the spatial development of the economy is devoted to many scientific works, touching upon various aspects of the development of the regional economy under modern conditions. In the studies of L. Walras [2], problems of economic equilibrium were considered in conjunction with structural transformations. In the works of D. Ricardo, the dynamic processes of the structure of the economy were considered in conjunction with the problems of labor and profit, and the research topics of M. Friedman and A. Marshall are devoted to the structure and dynamics of economic development [3]. Research conducted by S. Yu. Glazyev [4], A.G. Granberg [5], Yu.V. Yakovets [6] and E.G. Yasin [7], reveal the characteristics of structural processes, the mechanism of economic transformation and methodological problems of predicting structural dynamics in modern conditions.

The generalization of the scientific views of various schools allows us to conclude that the development of the regional economy will depend on the policy of choosing the structure-forming elements and the maximum use of their potential, which will ensure the sustainable development of the regions in the future.

As in other countries, spatial development is one of the main directions of Uzbekistan's economic policy. Effective management of the sustainable development of subsystems of the national economy, in turn, contributes to the sustainable growth of the welfare of society. Consequently, the process of sustainable development of the regional economy should be adequate to multidimensional regional factors.

Based on these goals, in the period 1995–2019 and to this day, the government of the country is implementing global measures aimed at reforming the economy of the country and its regions. In particular, during this period, reforms were carried out to modernize and diversify regional industries, improve production and social infrastructure, adopted and implemented programs to localize the regional economy, liberalize the banking and financial sector and fiscal policy, which ensured sustainable growth of the economies of the country's regions (Fig.1).
Fig. 1. Average annual real growth rates of GRP in the regions of Uzbekistan for 1995–2019.

Source: compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan.

In general, for 1995–2019 the accumulated real growth of the GRP of the regions had positive values in all regions and varied from 2.4 times in the Navoi region (the lowest growth of GRP for the analyzed period) to 6.7 times in the city of Tashkent. During this period, the GDP growth of Uzbekistan amounted to 4.3 times.

High values of GDP growth in the country during the analyzed period were reached by Andijan region (5.4 times), Samarkand (4.9 times), Jizzakh (4.9 times) and the city of Tashkent (6.7 times). The rest of the regions in terms of accumulated GRP growth rates were low compared to the country's GDP growth in 1995–2019.

It should be noted that, in general, for the analyzed period, all regions of Uzbekistan had positive economic growth, which, in turn, ensured the growth of the country's economy.

However, along with the growth of the economy, the differentiation of the regions of Uzbekistan in terms of the level of economic development increased significantly (Fig. 2).

The growth of regional differentiation was caused by the fact that the regions had different levels of economic growth, that is, in some regions, economic growth
had high rates, and in others - moderate.

![Fig. 2. The gap between the maximum and minimum values of GRP per capita in the regions of Uzbekistan for 1995–2019. (in comparable prices of 1995, in thousand soums)](image)

*Source: compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan.*

The differentiation of regions by the level of economic development can be justified by the existing economic policy in these regions, which determine the types of economic growth. The economic growth of regions, based on their factors, is broken down into intensive and extensive types of economic growth.

The results of the analysis show that in the group of regions that have achieved the highest GRP growth rates in 2000-2019 (Tashkent city - 5.7 times, Jizzakh region - 4.5 times, Andijan region - 4.1 times, the Republic of Karakalpakstan - 4.1 time, Samarkand region - 4.0 times, Namangan region - 3.9 times and Surkhandarya region - 3.7 times), the main determinants of economic growth were the industries and services (Fig. 3).

From a group of regions that have achieved the highest GRP growth rates, in the Jizzakh, Samarkand and Surkhandarya regions, one of the main determinants of economic growth is the agricultural sector, which has a downward trend. The service industries dominate in shaping economic growth in these regions. The group of
regions that achieved moderate and low rates of economic growth of GRP, compared with the accumulated growth of the country's GDP (3.6 times), for the analyzed period includes Khorezm (3.6 times), Bukhara (3.4 times), Kashkadarya (2.9 times), Tashkent (3.1 times), Syrdarya (2.9 times), Fergana (2.7 times) and Navoi (2.2 times) regions.

![Graph showing contribution of industries to the growth of GRP](image)

**Fig. 3. Contribution of industries to the growth of GRP of regions in 2000–2019.**

*Source: compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan.*

The regions where the main determinant of economic growth was the agricultural sector had the lowest or moderate rates of economic growth of GRP over the analyzed period. The lowest GRP growth rate for the analyzed period is in Navoi region (2.2 times), where the contribution of the agricultural sector to the GRP growth is 49.7%.

However, the high growth rates of GRP for the analyzed period do not fully reflect the socio-economic situation of the regions, since here special attention should be paid to the quality of economic growth in the form of indicators such as GRP per capita, which in general terms indicates the distribution of formed capital.
in the region during the year, which, in turn, speaks of the well-being of the population as a result of socio-economic activity.

Taking into account the prevailing high growth rates and differences in the growth rates of the regional economies as a whole for the period 1995–2019, we can say that, in terms of GRP per capita in comparable prices, the formation of regions will have certain shifts (Table 1).

**Table 1**

**Grouping of regions by the level of GRP per capita for 1995–2019**

(in comparable prices of 1995, thousand soums)

<table>
<thead>
<tr>
<th>Regions</th>
<th>1995</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GRP per capita</td>
<td>Region level</td>
</tr>
<tr>
<td>The Republic of Karakalpakstan</td>
<td>9.0</td>
<td>12</td>
</tr>
<tr>
<td>Andijan</td>
<td>8.8</td>
<td>13</td>
</tr>
<tr>
<td>Bukhara</td>
<td>12.0</td>
<td>7</td>
</tr>
<tr>
<td>Jizzakh</td>
<td>10.8</td>
<td>8</td>
</tr>
<tr>
<td>Kashkadaryo</td>
<td>10.8</td>
<td>9</td>
</tr>
<tr>
<td>Navoi</td>
<td>17.3</td>
<td>2</td>
</tr>
<tr>
<td>Namangan</td>
<td>9.9</td>
<td>10</td>
</tr>
<tr>
<td>Samarkand</td>
<td>9.0</td>
<td>11</td>
</tr>
<tr>
<td>Surkhandaryo</td>
<td>7.8</td>
<td>14</td>
</tr>
<tr>
<td>Sirdaryo</td>
<td>17.3</td>
<td>3</td>
</tr>
<tr>
<td>Tashkent</td>
<td>13.7</td>
<td>5</td>
</tr>
<tr>
<td>Ferghana</td>
<td>15.4</td>
<td>4</td>
</tr>
<tr>
<td>Khorezm</td>
<td>12.4</td>
<td>6</td>
</tr>
<tr>
<td>Tashkent city</td>
<td>18.0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: compiled by the author based on data from the State Statistics Committee of the Republic of Uzbekistan.

So, in 2019, compared to 1995, in terms of GRP per capita, high indicators were taken by the city of Tashkent - 92.2 thousand soums (1st place), Syrdary - 37.4 thousand soums (2nd place), Tashkent region - 35.8 thousand soums (3rd place). During this period, such regions as Bukhara (4th place in 2019 against 7th in 1995), Jizzakh (5th place in 2018 against 8th in 1995), Andijan (7-th place in 2019 against 13th in 1995) and Samarkand (10th place in 2019 against 11th in 1995).

Analysis of the trends in the socio-economic development of the regions of Uzbekistan for 1995–2019 shows significant differences between them, all regions of Uzbekistan had positive economic growth, however, the differentiation of regions of Uzbekistan in terms of economic development also grew. The gap between the
maximum and minimum values of GRP per capita increased over the analyzed period from 2.3 times in 1995 to 4.7 times in 2019. During the analysis of the contribution of industries to the growth of the regional economy, it was revealed that in some regions there are low values of the contribution of industry, agriculture and services to economic growth, although they have a huge growth potential in this area. Regions such as Kashkadarya, Navoi, Tashkent and Fergana regions, although they have a huge natural resource potential, are significantly behind the national average in the growth of industrial production.

The analysis of the development trend of the regions showed that the reasons for the incomplete use of the existing potential opportunities of the regions in the development of the branches of their economies lie in the prevailing low levels of transformation of the achieved structural changes into the qualitative indicators of the economic growth of the regions. This led to the fact that some regions lag behind other regions in terms of economic growth, despite clear structural shifts in the sectoral structure of the economy.

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