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THE SCIENTIFIC FOUNDATIONS FOR THE FORMATION OF A NEW STRATEGY FOR SOCIO - ECONOMIC DEVELOPMENT IN UZBEKISTAN

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ABSTRACT
In this article, explores the essential elements for developing a new socio-economic strategy for Uzbekistan. It highlights the increasing relevance of state intervention alongside market mechanisms to address emerging challenges in a globalized world. The study assesses Uzbekistan's current economic conditions, reviews global and regional strategic planning practices, and presents a methodology for evaluating and proposing new strategies. The findings underscore the need for effective state regulation and strategic planning to foster sustainable economic growth and competitiveness. The article concludes with an overview of Uzbekistan's new development strategy and its potential to address long-term global risks and enhance national economic resilience.
KEYWORDS: *Uzbekistan, socio-economic strategy, state intervention, market mechanisms, strategic planning, global risks, economic development.*

1. INTRODUCTION

The market and its mechanisms are recognized as natural regulators of economic processes. They ensure stable functioning and stimulate the expansion of the reproduction of all material goods necessary for people's normal life. Market regulators establish and maintain equilibrium in the economy. Although this equilibrium is periodically disrupted by internal and external factors, it tends to restore itself through market mechanisms.

However, the self-regulating market economy has its limitations and cannot always resolve emerging problems on its own. The economy of any country is characterized by a complex network of connections and dependencies. Without state intervention, it is impossible to address strategic tasks and function effectively in the long term. Therefore, market and state mechanisms are fully compatible; they do not replace but rather complement each other.

2. LITERATURE REVIEW

In modern literature, The analysis of modern economic theories underscores the necessity of state regulation in the development of an economy based on market principles and free enterprise. However, contemporary economic literature presents varied interpretations of state intervention in market processes. Within prominent economic schools - Keynesianism (J. Keynes, P. Samuelson, J. Hicks, J. Tobin, and others), Monetarism (M. Friedman, F. Hayek, F. Knight, H. Simons, and others), and Institutionalism (J. Galbraith, J. Clark, and others) - several theories of state regulation have emerged, each offering different perspectives on the forms and methods of state regulation in a market economy.

One of the notable proponents of Institutionalism, J. Galbraith, justifies the need for state regulation of the market by highlighting the 20th-century trend toward production concentration and the growing influence of large corporations. In such a context, state regulation should set goals considering external environmental parameters and the stochastic nature of progress toward these goals, which is influenced by the specific characteristics of a market economy. According to other economists, transitioning to a new model of economic development can be significantly accelerated only through effective state regulation combined with targeted planning and programming, as well as by encouraging structural transformation using both direct and indirect methods from the government.

Global practice also demonstrates the objective necessity for active state intervention in the development of an economy based on market principles and free enterprise. As the economy liberalizes and the share of the public sector diminishes, direct state involvement in economic management narrows, necessitating the use of alternative means for state regulation.

In this context, the application of effective tools of state regulatory policy becomes a crucial condition for sustainable economic growth. One method of state regulation of the market is strategic planning for the country's socio-economic development.

Strategic planning for a country's economic development places significant emphasis on creating a long-term development strategy. A development strategy is a tool for building the nation's future, essential for stimulating continuous and purposeful progress. It defines specific goals, priorities, and tasks of economic policy, considering the interests of future generations and the country's economic and social security. This strategy will help focus the efforts and potential of government bodies on its implementation. According to other economists, transitioning to a new economic development model can be significantly accelerated only through effective state regulation combined with targeted planning and programming, as well as stimulating structural changes through both direct and indirect state methods.

Global practice also indicates that there is an objective need for active state intervention in the development of an economy based on market principles and free enterprise. In the context of economic liberalization, where the share of the state sector decreases, direct state involvement in economic management narrows, and alternative means of state regulation must be employed.

In this situation, the application of effective tools of state regulatory policy becomes a necessary condition for sustainable economic growth. One method of state regulation of the market is strategic planning of the socio-economic development of the country.

In strategic planning for the economic development of a country, the development of a long-term growth strategy holds significant importance. A development strategy is a tool for building the nation's future, necessary for stimulating continuous and targeted progress. It defines specific goals, priorities, and tasks for economic policy, taking into account the interests of future generations and the economic and social security of the country. It will allow for the focus of efforts and the potential of government bodies on achieving these goals.

3. RESEARCH METHODOLOGY

The methodology used in this study assessment of the strengths, weaknesses, opportunities and threats of Uzbekistan in the development of the strategy. Development and proposal of a new socio-economic strategy based on conclusions combining theoretical and practical concepts. Test the proposed strategy through simulations or pilot programs, and based on feedback and results, issues are explored, analyzed, synthesized, and abstracted.

4. ANALYSIS AND RESULTS

In recent decades, there has been a significant increase in interest among scholars and practitioners in forecasting socio-economic processes and developing development strategies at both global and national levels. This involves international organizations, research centers, and various government bodies abroad, which create forecasts and long-term global development scenarios. Sectoral forecasts, such as demographic, environmental, and food-related ones, are also published. Developing countries and CIS states are also engaged in crafting long-term development concepts and strategies.

For the European Union, the primary strategic management and planning system is the "Europe 2020" strategy, adopted in 2010. This document outlines five main goals aimed at creating conditions for sustainable development and inclusive growth within the EU. These goals are considered when setting national objectives for each EU member state.

For instance, Germany has a national planning system that includes federal, regional, and municipal levels of management. The country also adheres to the national "Perspectives for Germany: Our Strategy for Sustainable Development."

Developing countries frequently develop long-term forecasts and strategies. For example, China's "Forecast 2050" outlines a clear strategy for economic development, transitioning to an industrial-information economy, and steps towards becoming a developed nation. The Eurasian Economic Union has established "Main Directions for Economic Development until 2030," which identifies promising areas for socio-economic development by leveraging integration potential and member states' competitive advantages.

In the CIS countries, there is accumulated experience in long-term forecasting and development strategy. Russia, Kazakhstan, Belarus, and Tajikistan have each developed their own strategies extending to 2030.

Despite this, there is no universally accepted methodological approach to managing strategic economic development. Methodological issues in crafting mid- and long-term strategies for industries, regions, and countries remain underdeveloped, and the problem of selecting the optimal forecasting method within development strategies is still insufficiently researched. The modern world presents humanity with a range of global problems that significantly impact the long-term threats and risks to national economies. Increasing interdependence makes the world more vulnerable to new global threats and challenges.

In the context of intensified globalization, Uzbekistan's socio-economic development is influenced by complex and sometimes unpredictable external and internal factors. Rising competition introduces new strategic challenges and risks.

The external environment increasingly affects Uzbekistan's economy as it becomes more integrated into the global economic space and financial markets. Economic instability and rising global risks significantly impact national economic functioning. Without proactive measures, these global risks could adversely affect the sustainable and dynamic development of the national economy. Current global economic trends highlight the growing impact of innovations on economic growth rates and improving living standards. Achieving sustainable economic growth will be challenging without widespread adoption of modern technologies and applied research results. Therefore, fostering domestic innovation with a focus on human capital, developing and attracting modern technologies, will be crucial for ensuring the competitiveness of domestic products in both internal and external markets.

In recent years, internal factors have increasingly negatively impacted the quality of economic growth in Uzbekistan. Research by the Institute of Macroeconomic and Territorial Forecasting and the Center for Economic Research and Reforms has shown that, despite high growth rates from 2003 to 2015, the economic growth model has faced issues such as imbalances and instability since the early 2010s. Signs of exhaustion of traditional growth factors and sources have emerged, such as limitations in mineral resources, land, and water resources. There are also growing disparities in the economic structure, technological backwardness, demographic pressures, and impacts on human capital and government institutions.

The resource-intensive nature of the existing economic model has been a limiting factor for enhancing competitiveness. Uzbekistan's economy has been heavily oriented towards raw materials and low-value-added products, making it dependent on global commodity price fluctuations and the economic positions of importing countries. Traditionally, labor, capital, and natural resources have been the main drivers of economic growth. From 2010 to 2015, these factors accounted for about two-thirds of the increase in GDP. The service sector has shown significant growth (over 50%), while the shares of industry and agriculture have decreased, posing risks of reduced competitiveness and slower growth. The main sources of growth have been large investments in real sector modernization, accelerated development of small businesses and services, remittances from labor migrants, and income from natural resource exports.

5. CONCLUSION

Based on the above analysis, we are summarizing the conclusions and the achieved results. There are the following bases for forming a new strategy of socio-economic development in Uzbekistan.

Between 2017 and 2023, Uzbekistan accumulated considerable practical experience in strategic planning. National, sectoral, and regional concepts, strategies, and comprehensive target programs were developed and implemented, laying the foundation for a new development strategy for the country.

The Strategy for the Development of New Uzbekistan for 2022-2026 outlines the implementation of 100 tasks. Of these, 16 goals are aimed at accelerating national economic development and ensuring high economic growth rates, while 34 goals focus on promoting fair social policies and developing human capital. To implement the Strategy, the Cabinet of Ministers of the Republic of Uzbekistan approved regional socio-economic development programs for 2022-2026.

The main objectives of the Strategy include creating opportunities for all citizens to realize their potential, nurturing a healthy and educated generation, building a strong economy, and ensuring justice, the rule of law, and security.

However, long-term global economic forecasts indicate significant external risks that could hinder economic growth due to globalization-related constraints and barriers. The instability of the global economy and the escalation of global risks have a substantial impact on the functioning of the national economy. Without preventive measures, these global risks could negatively affect the sustainable and dynamic development of Uzbekistan's economy. This underscores the increasing relevance of developing long-term development strategies for the Republic of Uzbekistan.

In light of the experience gained from implementing the New Uzbekistan Development Strategy and the results of public discussions, the President of the Republic of Uzbekistan approved the "Uzbekistan – 2030" Strategy on September 11, 2023.

It is also important to note that in 2018, to systematically implement the Sustainable Development Goals (SDGs) of the UN's Global Agenda for 2030, Uzbekistan approved its National Goals and Objectives in the field of sustainable development for the period up to 2030.

The "Uzbekistan – 2030" Strategy aims to create opportunities for all citizens to realize their potential, nurture a healthy and educated generation, build a strong economy, and ensure justice, the rule of law, and security. The Strategy sets out the following goals in the field of socio-economic development:

- Entering the ranks of upper-middle-income countries through sustainable economic growth;
- Creating education, healthcare, and social protection systems that fully meet the needs of the people and align with international standards;
- Establishing favorable environmental conditions for the population.
- The Strategy covers the following priority areas in the social and economic spheres:
- Creating favorable conditions for realizing each individual's potential;
- Ensuring the well-being of the population through sustainable economic growth;
- Conserving water resources and protecting the environment.

The ultimate goal of Uzbekistan's Development Strategy is to create a modern, highly competitive economy that is resilient to global instability and provides all the necessary prerequisites for a full and secure life for the country's population. By 2030, Uzbekistan intends to be among the upper-middle-income countries based on key macroeconomic and qualitative indicators.

The priority directions in the economic sphere outlined in the "Uzbekistan – 2030" Strategy focus on ensuring sustainable and balanced national economic development, overcoming growth constraints, and modernizing and diversifying the economy through the efficient and rational use of the country's resource-economic potential. The practical implementation of the "Uzbekistan – 2030" Strategy will ensure maximum utilization of the country's competitive advantages, untapped reserves, and new sources of economic growth. It will also create new opportunities for deepening external economic integration, strengthening and expanding Uzbekistan's position in global markets, and ultimately enhancing the competitiveness and resilience of the national economy to long-term risks and global challenges.

The implementation of social programs aimed at improving the population's standard of living and quality of life will create a foundation for increasing well-being, strengthening social stability, and further advancing socio-economic reforms in the country. The realization of the "Uzbekistan – 2030" Strategy will also foster further economic liberalization and diversification, the formation of full-fledged market mechanisms to strengthen the private sector, expand the country's economic potential, and consequently improve the population's welfare.

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