

SOCIO-ECONOMIC IMBALANCES IN UZBEKISTAN

Karimjon Olimjonov Odiljon o'g'li

A student of Academic Lyceum under Westminster International University Tashkent

Contact email: karimolimjonov@gmail.com

ARTICLE INFO.

Keywords: *economy, finance, imbalance, marketing, low-income country, high-income country, industry imbalances, regional economy, ecological problems, industrial pollution, population*

Annotation

The following article provides data about banking system in Uzbekistan as well as some socio-economic imbalances in country. Moreover, it illustrates stages of development of banking system. Moreover, the article analyzes the economic, ecological and social aspects in the development of regional economies by the examples.

<http://www.gospodarkainnowacje.pl/> © 2024 LWAB.

INTRODUCTION

Economy is the most important part of any country and it is necessary factor for the development of the country. The development of any sector of the state depends on its economic strength and stability. Because every life depends on the economy, the development of the industry, the health of the population, the level of happiness of the population and the availability of natural resource. It should be noted here that economy is not only about money or material value. Economy also means rational use of available resources and opportunities

Actuality of the work is essential that I believe the research on this topic will be useful and beneficial for our country and the entire world economic system. In addition, some of the causes and consequences of economic inequality given in the research work can benefit many countries of the world and contribute to the prevention of economic inequalities expected in them.

Novelty of this research work is that, according to it, if certain situations and circumstances are avoided, or if they are approached correctly, the probability of achieving economic stability is very high. It should also be said that the economy does not belong only to business representatives, but to all types of the population of the state, and this aspect is also emphasized in this research. That is, in the economic development of any country, the service of the population living here has become very large

MATERIALS AND METHODS

During this research work, I constantly followed the Internet sites, my insights from internship in Davr Bank, TV shows, and weather data that provide many economic indicators. I also followed the economic news on social networks. At first, I tried to study economic history. As a result, I came to the conclusions presented in this research work. I will try to explain them in the following

work.

During my research, I reviewed the article by D. Eydenzon, I. Ganieva, N. Shpak on the topic "Socio-economic and environmental aspects of the industry imbalances in the regional economy" and in this article the author presents an analysis of current socio-economic and environmental aspects of the industry imbalances in the regional economy by the example of Ural Federal District and Siberian Federal District. While observing the economic changes of the Siberian and Ural Federal Districts, I also tried to analyze the changes in our Republic. The change of social and economic balances in the Republic of Uzbekistan is inextricably linked to the reforms being carried out in this country, and these actions should be bilateral rather than unilateral. That is, not only government representatives are responsible for the development of the state, but also every citizen. Over the past years, we can see that social and economic imbalances are increasing in our republic in every field. As proof of this, we can mention the profit indicators of republican organizations or private organizations during the year. The main goal of my research is to clarify the economic imbalances in the Republic of Uzbekistan, and it should be noted that there are several reasons for it. They are described in the first figure.

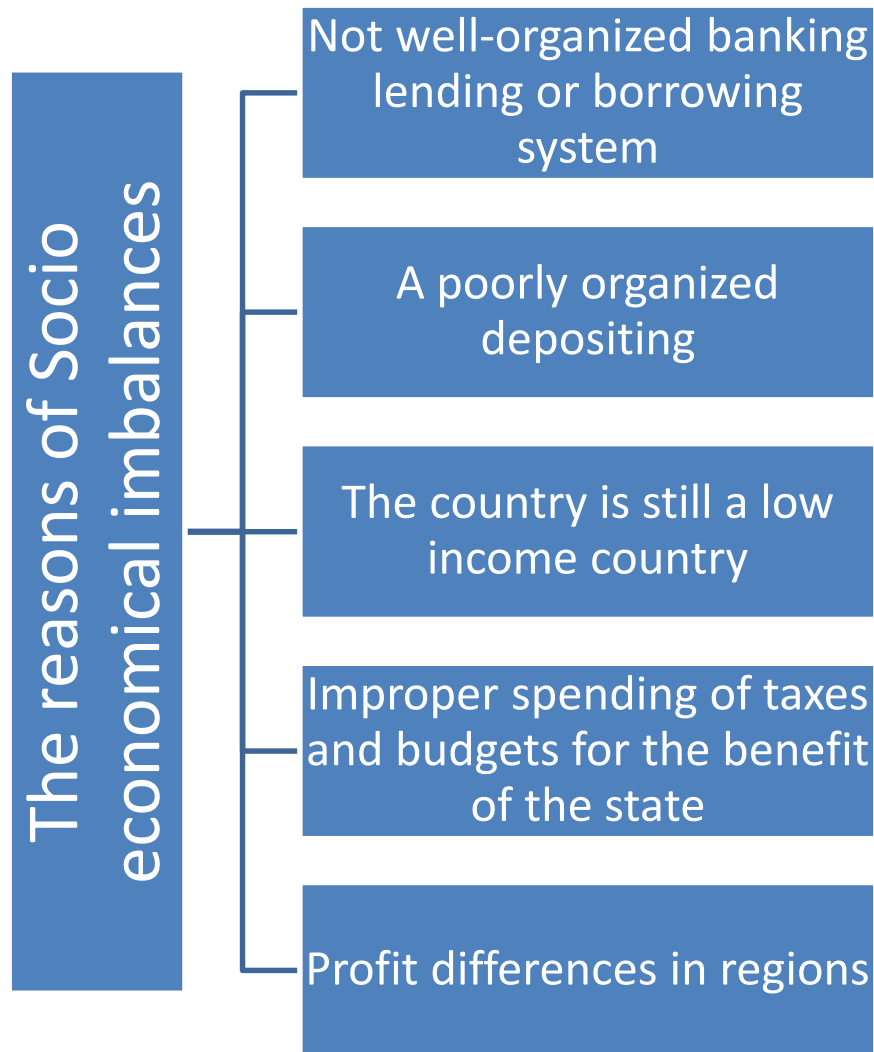


Figure 1.

According to the figure, one can say that there are several reasons for imbalances in my country. However, these reasons can be solved positively.

The international division practice demonstrates the structuring feasibility of the national economy by the macro-regions.

Modern economists often discuss the problem of uneven development of regions and sectors against the background of the cyclical fluctuations of the economy. There is an extensive body of evidence showing an indispensable worsening crisis trends in the national economy, which domestic economy is developing unevenly. As you know, increases, like phases of long waves, are provoked by considerable innovative impulses.

In order to fundamentally increase the quality of the initiatives being developed for the reform of the socio-economic sector in our country, the effectiveness of the reforms, as well as to develop programs for the development of regions, industries and sectors in 2022-2026 based on scientifically based innovative approaches it's no secret that they've been developed and launched already.

RESEARCH AND DISCUSSION

Here I would like to show the economic disparity and some of their main reasons according to my research.

First and potential reason of economical imbalances in country is Region Disparities. Reason for the economic imbalance in the republic is that the funds and lifestyle of the people in different regions are different. Because citizens living in the city of Tashkent receive, more salaries compared to citizens of other regions, even though they have the same profession. There are specific reasons why food costs are cheaper in rural areas and vice versa in urban areas. The first and main reason is that food products are grown in rural areas and not much money is spent on vehicles to deliver them. and being able to grow their own vegetables. Economic inequality would be avoided if a solution was found for the transportation means to reach remote areas in a more affordable condition and other causes of high prices. In urban areas, high prices are observed not only in food products, but also in clothes and household appliances. In my opinion, the main reason for this is the high income in these areas.

Also, the monthly, weekly or daily incomes as well as outcomes of people living in rural areas and urban areas are drastically different from each other.

In addition to the differences in wages and income, one can see a huge difference in the prices of products in the market in different regions. If this imbalance is avoided or directed in the right direction, the country will have a faster economic development.

Another main reason of imbalances of economy in the country is bank system. It is known that the banking system is the part that manages, controls and regulates the state economy. If the banking system is well established, economic stability can be achieved. Although, the country has had a good banking and financial system as well as the banking system is constantly being reformed in our Republic, it still has many developmental goals and actions, processing processes. For the first mentioned reason, I can say that one of the most important issues is to further reform the conditions for receiving and issuing deposits in the banking system. Due to some deficiencies in the loan services in our state banks, we still see economic deficiencies. However, efforts to prevent these shortcomings and further reform the banking system are still ongoing.

Banks of Uzbekistan have gone through a long path of evolutionary development before becoming a powerful system capable of influencing the national economy. He had to overcome a number of difficulties along the way.

In 1991, a number of banks began to form. Working in the changing conditions of Uzbekistan's economy, they acquired new aspects while adopting modern work methods. The years 1991-1992 were the years of a real turning point in the views on the activity of banks. The adoption of the Law of the Republic of Uzbekistan "On Banks and Banking Activities" served as the basis for the composition of the two-level banking system and the assignment of new tasks to the Central Bank of the country. It is responsible for regulating money circulation, commercial banks system and the tasks of forming the payment system were set. Financing of various sectors of the economy should be carried out by specialized commercial banks that will be established and operate on the basis of modern principles and requirements.

One of the strategic directions of the reforms was to stimulate the flow of private capital in the banking sector in 1997. This process accelerated in 1997 after the announcement of the Decree of the President of the Republic of Uzbekistan "On measures to encourage the establishment of private commercial banks". It was intended to provide incentives for opening banks with a share of not less than 50 percent of individuals. In order to ensure the financial stability of commercial banks, the principles of early detection of existing problems in their balance sheets and taking warning measures before the decrease of bank liquidity and capital depletion were used. During the next two years, with further liberalization of foreign exchange policy, a mechanism for trading foreign currencies in the over-the-counter foreign exchange market was implemented. This mechanism envisages that authorized banks purchase currencies from their clients at a free exchange rate based on the contract based on supply and demand in foreign currency. This period is significant because significant progress was made in strengthening the banking system of Uzbekistan. It was during these years that work related to the establishment of an effective banking system with modern infrastructure was carried out.

The next decade, 2000-2010, the President of the Republic of Uzbekistan, Islam Karimov, paid more attention to the issues of developing the financial and banking system of our country, strengthening its activities and improving its quality. In this regard, important decisions were made to increase the level of capitalization of a number of leading banks ("Ozsanoatkurilishbank", "Asaka" bank, etc.). The Decree of the President of the Republic of Uzbekistan "On increasing the authorized fund of Mikroreditbank" made this bank one of the main credit centers for financing small business and private entrepreneurship, and improved its activity in terms of quality. Each year of this period is recorded as a new stage in the consistent development of the country's banking and financial system. 2006-2007 is the period of development of mortgage lending.

The next reason of economic imbalances is urbanization growth as it is another crucial part of economy of the country. Nowadays, not only Uzbekistan, but also many countries of the world, a sharp increase in population is observed. This in turn creates a number of problems. The rapid growth of the population affects the economy first, and then the nature. Population growth creates economic imbalances. Population growth has caused many problems, one of which is the increase in human needs, and the other is the scarcity of living space. As a result, new residences are sought, funds are spent on buildings again, and the economic balance worsens again. However, as everything has both good and bad sides, the construction of new facilities increases the possibility of providing employment to the population.

The next reason of economical imbalances of the country is that there is no big financial support for families with low income. By way of example, poor families with a lot of children (more than 3) can take some amount of money if only single parent work or only single parent takes care of the

children. However, if both father and mother work in the family, if they own a car, the child is not given support money. In my opinion, if there are more than 3 children in the family, it is necessary to give them support money, taking into account the financial situation of the family.

CONCLUSION

It is believed that in order to speed up the process of innovation development of the entire national economy it is necessary to eliminate inequality in the development of individual sectors and regions. In the opinion of the authors of Moscow State University, who worked on the major project, «World Economic Thought. Through the Prism of the Century» coordinated by G. Fetisova and, A. Hudokormova, agro-industrial country like Russia, it is necessary to maintain a balance between industry and agriculture as the development of one sector is a prerequisite for the development of the other [2, p. 625].

We can clearly see the rapid development of the banking system reform in the following years. This brief historical information is given to show that the banking system of the republic has not yet developed much and that deep reforms are still needed. It can be said that the banking system is the main core part of the state. Because everything depends on the economic means, and how strong the state is depends on its well-organized economic and social status.

REFERENCES

1. D. Eydenzon, I. Ganieva, N. Shpak , SOCIO-ECONOMIC AND ENVIRONMENTAL ASPECTS OF THE INDUSTRY IMBALANCES IN THE REGIONAL ECONOMY ЭКОНОМИКА РЕГИОНА №4/2013
2. World economic thought. Through the prism of the century. (2006). 5 Vol. The Co. Editorial Board. 751.
3. <https://kun.uz/uz/13128467>
4. <https://lex.uz/uz/docs/-4552315?ONDATE=18.03.2022>
5. <https://www.gazeta.uz/oz/2023/02/14/sp/>