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SIGNIFICANCE OF ECONOMIC GROWTH AT THE COUNTRY LEVEL

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ABSTRACT

GDP per capita is very important for economic analysis. Because, if the volume of the gross domestic product is built on the basis of supply and demand, it represents the existing factors under the influence of the factors affecting the future state of this market and the general economy. This article discusses the analysis of economic processes and analyzes the growth rate of GDP per capita.

Economic growth means a long-term increase in the level of potential production corresponding to conditions of full employment. Economic growth means an increase in total supply, or in other words, an increase in the size of real and potential GDP. Thus, economic growth means not only an increase in production, but also an increase in the potential of the economy.
The essence of economic growth is the resolution and reproduction of the main conflict between the limited production resources and the unlimited growth of social needs, which are the main contradictions of the economy. As a result of studying the problem of economic growth, a solution to the problem of efficient use of limited resources is found. Therefore, the study and analysis of the factors of economic growth and their efficiency is one of the most urgent problems facing the society.
The main condition for economic growth is that the gross domestic product produced this year should be more than the previous year, and the rate of growth of the gross domestic product should be higher than the rate of population growth.
Economic growth is an objective law and is connected with processes such as population growth, scientific and technical progress, and increase in production needs.
According to the Statistics Agency under the President of the Republic of Uzbekistan, as of January 1, 2024, the permanent population of our republic was 3,679,756 people.

The number of permanent residents of our republic increased by 774,800 people or 2.2% compared to the same period last year. The population of Uzbekistan is increasing by an average of 64,600 people per month in 2023, and by an average of 2,100 people per day. The population is growing at this rate
its increase should ensure the growth of the country's economy.
Economic growth includes not only the growth of the country's real income, but also the growth of real income per capita. In the processes of determining and justifying economic growth, attention should be paid to the following:

- measuring economic growth;
- growth factors;
- models of economic growth.

Various indicators of total income (products) can be used to measure the growth of the national economy. The overall growth rate is actually determined by the amount of GDP. Also, these indicators can be GDP or GDP, depending on the amount and the function they perform. GNP, like GDP, shows the amount of income received by the population of this country. Therefore, it can be used when determining the dynamics and level of per capita income.
In the theory and models of economic growth, the difference of general macroeconomic indicators is not very important. Because their difference is not considered a decisive process in the analysis of the economic growth limit and growth factorsEconomic growth means not only an increase in the real income of a country, but also an increase in real income per capita. For this reason, economic growth is measured in two different ways.
In the first method, economic growth is defined as a change in real GDP compared to the previous period and is used to determine the dynamics of the country's overall economic opportunities.
In this case, the percentage growth of the current year's GDP (Yt) compared to thebase year (Yt-1) (mainly the previous year) is determined:

$$Y = \frac{\Delta t}{Y_{t-1}} x100 - 100$$

Changes in the volume of GDP during the reporting period compared to the base period occur under the influence of two factors: changes in the volume of products or services and changes in their prices. Therefore, economic growth is measured in relative prices. It is necessary to determine the growth by eliminating the effect of price changes on the change in the value of the gross domestic product. For this purpose, the quantity of goods and services produced in the reporting year is multiplied by the price of the base period, and it is considered the conditional Gross Domestic Product, and this conditional Gross Domestic Product is divided by the Gross Domestic Product of the base period, and the division is multiplied by 100 and 100 is subtracted from the result.
In the second method, economic growth is defined as a change in real GDP per capita compared to the previous period.

According to the Statistics Agency under the President of the Republic of Uzbekistan, in 2023, the volume of the gross domestic product (GDP) in Uzbekistan at current prices will be 1066.6 trillion. amounted to soum. This is 90.9 billion according to the average exchange rate. equal to US dollars. The volume of gross domestic product increased by 6% compared to 2022 (Figure 1).

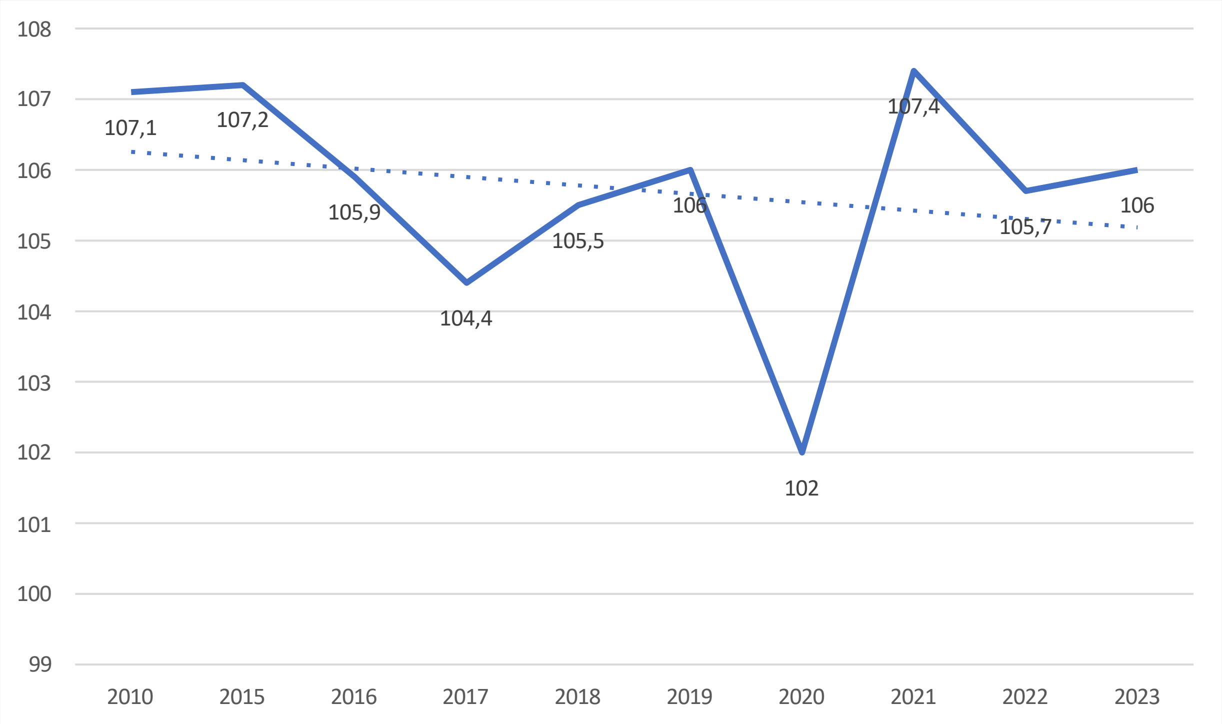

Figure 1. Growth rate of GDP in our country (percentage compared to last year)

According to the Statistics Agency, by the end of 2023, the GDP per capita at current prices was 29,291.36 thousand soums (equivalent to 2,496 US dollars at the average exchange rate). . This indicator has increased by 3.8% compared to 2022 (Figure 2).

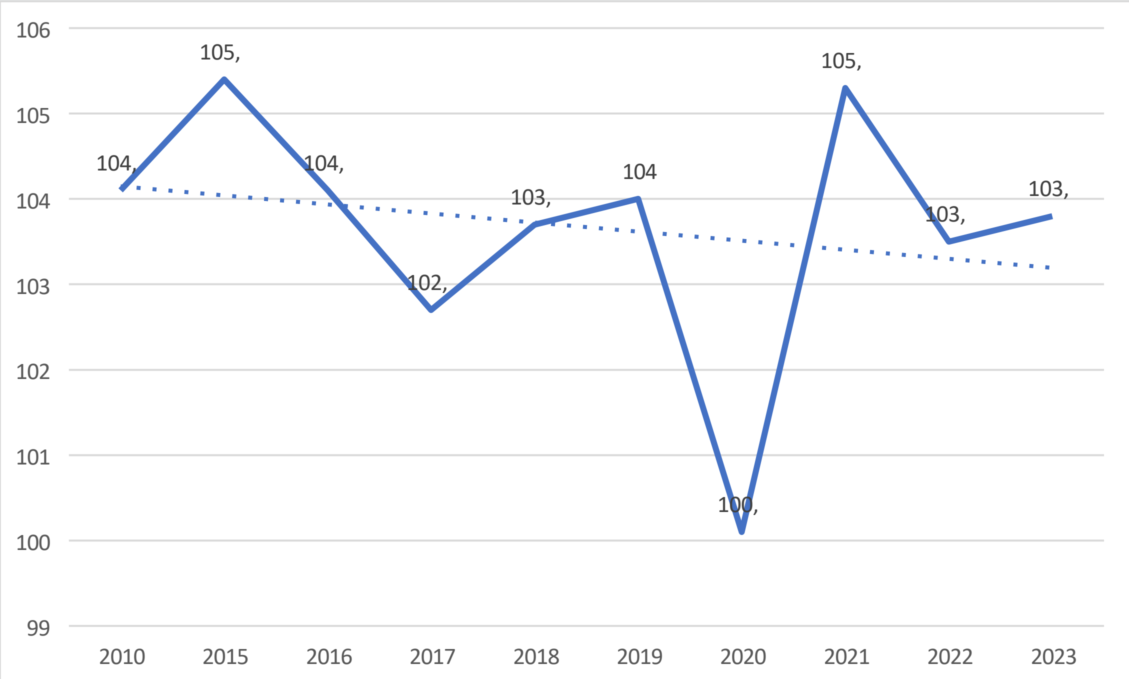

Figure 2. Growth rates of GDP per capita (in percentage terms compared to the previous year)
In the theory and models of economic growth, SIM, GNP, SMD indicators can be used instead of GDP. In economic theory, economic growth depends on the ratio of income to consumption and investment.
If the dynamics of the volume of consumption indicates the goal of economic growth and the increase in the standard of living, the change in the volume of investments means the growth of resource opportunities and the materialization of technical innovations. There is a sufficient trade-off between consumption and investment, because an increase in current consumption reduces the share of investment in income, reducing the opportunities for economic growth.
Every country strives for economic growth, because economic growth, firstly, leads to an increase in national output and income, secondly, to the effective use of resources, thirdly, to the emergence of new needs and opportunities, and fourthly, to international leads to an increase in the country's reputation in the markets.
The concept of "quality of economic growth" represents the strengthening of the social orientation of the country's economic development. The components of the quality of economic growth are:
• improvement of material well-being of the population;
• an increase in free time, which is considered the basis of all-round development of a person;
• increase in the level of development of social infrastructure networks;
• growth of investment in human capital;
• ensuring the safety of people's living and working conditions;
• social protection of the unemployed and people who do not have the ability to work;
• to support full employment in the conditions of growing supply in the labor market.
Factors of economic growth are the events and processes that determine the rate, scope, efficiency and quality of long-term growth of real production volumes.
Factors of economic growth are divided into two groups. The factors of the first group ensure economic growth from a physical (material) point of view. Factors of production are included in this group:
• quantity and quality of natural resources;
• number and quality of labor resources;
• the size of the main capital
• organization of technologies and production;
• level of development of entrepreneurial skills in society.

If the short-term state of the economy is determined by more aggregate demand, the long-term development of the economy is determined by more production opportunities. Therefore, the real sector is the focus of economic growth modeling.
The second group of factors includes factors that allow the economic growth potential in the society - demand and distribution factors (indirect factors):
• decrease in the level of market monopolization;
• tax environment in the economy;

• efficiency of the credit-banking system;
• growth of consumption, investment and government spending;
• increase in export volume;
• possibilities of redistribution of production resources in the economy;
• established system of income distributioIf the growth is provided at the expense of attracting additional resources and does not increase the level of average efficiency of the use of resources in society, it is called extensive economic growth.

Extensive economic growth is provided at the expense of new enterprises, roads, development of new land, additional attraction of labor and natural resources. But the limitation of these resources reduces the possibilities of extensive economic growth at a certain stage of development and makes it scarce.

Growth achieved due to efficient use of available resources is called intensive economic growth. Intensive economic growth occurs when GDP growth is higher than the number of employed people in the economy.

"The intensive type of economic growth depends on the increase in production efficiency. It envisages increasing the production of products corresponding to the unit of the used resource, improving the technical characteristics of production. Such processes are manifested in the following cases:
• using scientific and technical achievements and updating production;
• improving staff qualifications;
• improving the quality of manufactured products, renewing the assortment" 1.

These two types of economic growth do not occur separately. Economic growth can be more extensive or more intensive depending on the share of extensive or intensive factors in its provision.

economic growth models allow to analyze the long-term increase of gross output based on supply factors. Like other economic models, economic growth models represent real processes in an abstract and simplified form, conventionally in graphs and equations.

There are Keynesian and neoclassical models of economic growth. The essence of Keynesian models is as follows:
• they all rely on Keynes's main idea of aggregate demand. That is, when compiling them, the authors considered that the decisive condition for the long-term balanced development of the economy is the increase of aggregate demand;
• the main factor of economic growth is investments, other factors of production are not taken into account.

The Harrod-Domar model is a Keynesian model of economic growth. This model is used to explain economic growth rates in developed economies in terms of accumulation and capital levels. It is considered that there is no influence of natural factors for the balanced growth of the economy.

The Harrod-Domar model was independently developed by Roy F. Harrod in 1939 and Evsey Domar in 1946, but a similar model was proposed by Gustav Cassel in 1924.

The economic growth model developed by Roy Forbes Harrod in 1939 included the accelerator principle and the endogenous function based on the expectations of entrepreneurs among the factors affecting economic growth. Sir Henry Roy Forbes Harrod (1900-1978) was a famous English economist, best known for his book The Life of John Maynard Keynes (1951) and his textbook International Economics, which is the standard textbook for the subject. was used as a guide.Conclusions and recommendations: Economic growth means a long-term increase in the volume of potential GDP corresponding to the conditions of full employment. It characterizes the quantitative and qualitative changes that occur in the results and factors of growth production.

Economic growth is measured by the growth rate of real GDP, or real GDP per capita.

Economic growth is determined by supply, demand and distribution factors. Demand factors that determine economic growth include the number and quality of natural resources, the number and quality of labor resources, capital, technology, and others.

According to the method of using them, economic growth is divided into extensive and intensive types. If production grows without changing the amount of resources, it is considered to be realized at the expense of intensive factors.

Economic growth is important for countries, primarily because it improves the quality of life of the country's citizens. As a result of good economic growth, jobs and wages increase, which increases people's living standards. Also, through economic growth, countries take their unique place at the international level and strengthen inter-country relations.

According to several international experiences, economic growth increases income stability and opens new opportunities for international diplomacy. As a result, the general image of the country is increased and citizens get to know their country in a higher value.

There are several important steps to improve economic growth:

Infrastructure structure and development: Development of necessary transport, energy, communication networks is necessary for good economic growth. This is of great importance to ensure the integrity of the infrastructure.

Investment and Livelihood Growth: Investment, innovation and innovation should be facilitated to expand investment. This increases the quality of products for consumers and makes consumption cheaper.

Enhancing entrepreneurship and business environment: Encouraging entrepreneurship, business facilitation and legal support, and increasing trade reforms will contribute to economic growth.

Filling Demand: Understanding and responding to demand is essential for good economic growth. Entrepreneurs, investors and employees need to educate themselves on new information and the evolving industry.

Strengthening Institutions: Strengthening the economic legal system, protecting market relations and incentives, and improving financial governance and corporate governance are also important in boosting economic growth.

International integration: Positioning the country in the international market, developing international trade relations and ensuring the international compatibility of the country are important for improving economic growth.

These steps are of great importance in improving economic growth. It is necessary to implement these steps depending on the economic, social and political conditions of each country.

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