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SOCIO-ECONOMIC ASPECTS OF THE CONCEPT OF ECONOMIC DEVELOPMENT

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ABOUT ARTICLE

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Abstract: The article analyzes socio-economic aspects of the concept of economic development. Concepts about the goal of economic reforms and issue of achieving economic development are analyzed. Economic development includes changes related to the formation of innovative economy related to the application of new technologies to the economy. Economic growth is one of the important trends of that indicate economic development and theoretical conclusions are made.

IQTISODIY TARAQQIYOT TUSHUNCHASINING IJTIMOIY-IQTISODIY JIHATLARI

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MAQOLA HAQIDA

Kalit so'zlar: iqtisodiyot, iqtisodiy rivojlanish, global iqtisodiyot, investitsiyalar, iqtisodiy o'sish

Annotatsiya: Ushbu maqolada iqtisodiy rivojlanish tushunchasining ijtimoiy-iqtisodiy jihatlari tahlil qilinadi. Iqtisodiy islohotlarning maqsadi va iqtisodiy rivojlanishga erishish masalalari haqida tushunchalar o'rganiladi. Iqtisodiy rivojlanish yangi texnologiyalarning iqtisodiyotga qo'llanilishi bilan bog'liq innovatsion iqtisodiyot shakllanishiga oid o'zgarishlarni o'z ichiga oladi. Iqtisodiy o'sish iqtisodiy rivojlanishni ko‘rsatuvchi muhim yo‘nalishlardan biri bo‘lib, nazariy xulosalar keltiriladi.

СОЦИАЛЬНО-ЭКОНОМИЧЕСКИЕ АСПЕКТЫ КОНЦЕПЦИИ ЭКОНОМИЧЕСКОГО РАЗВИТИЯ

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О СТАТЬЕ

Ключевые слова: экономика, экономическое развитие, глобальная экономика, инвестиции, экономический рост

Аннотация: В статье анализируются социально-экономические аспекты концепции экономического развития. Рассматриваются понятия о цели экономических реформ и вопрос достижения экономического развития. Экономическое развитие включает изменения, связанные с формированием инновационной экономики, применением новых технологий в экономике. Экономический рост является одним из важных показателей, указывающих на экономическое развитие, и сделаны теоретические выводы.

Introduction: The concept of economic development refers to qualitative changes in several directions.Economic growth is related to the increase in the quantity of products and services.Economists describe the way that leads to the economic growth in different ways. For example, L. Walras, A. Marshall and Friedman describe economic growth as a quantitative increase caused by purely economic factors. [1] J.Tobin claims that economic growth can be attained by several factors outside economy.[2] R.Nelson states that economic growth is the result of national economy.[3] Therefore, it can be concluded that economic growth can be described and explained in a number of different ways, but it remains one of the significant goals of all nations and societies.

Analysis of the literature on the topic. The distinguished statesman Islam Karimov, in his book titled "Deepening Economic Reforms in Uzbekistan," [4] identified the fundamental transformation of the economy, the transition from raw material supply to the production of finished products, and the need to raise their quality and competitiveness to meet global standards as one of the strategic tasks of economic policy.

Russian scholars A.V. Loginov and A.O. Yaroslavtsev draw attention to another aspect of the dialectical relationship between political stability and economic development. They note that economic development itself serves as a factor that strengthens political stability; as the pace of economic growth accelerates, political stability also solidifies, while economic decline can disrupt the political situation.

American economists D. Acemoglu and J. Robinson emphasize that economic development necessitates political stability. According to their perspective, political stability creates the conditions for the formation of inclusive institutions. These institutions allow a large part of the population to be involved in the process of making political decisions regarding economic issues. As a result, this leads to timely resolution of economic problems and paves the way for rapid economic growth. Conversely, political instability causes the emergence of extractive institutions. These institutions exclude a significant portion of the population from the economic life of society, which consequently slows down the pace of economic development.

Analysis and results. The concept of "economic development" is used by J. Schumpeter to differentiate economic progress from simple economic growth. In his book titled "The Theory of Economic Development," he vividly illustrates how economic development fundamentally differs from mere economic growth through clear examples.

The innovative economy contributes to the improvement of the population's living standards, the creation of new jobs, the enhancement of export potential, and the development of science and education. Another aspect of economic development is related to the nature of structural changes in the economy. Economies with a simple structure are primarily adapted to the supply of raw materials. It is well-known that an economy based on the production and export of raw materials does not develop. Such an economy struggles to move beyond stagnation, making any form of growth extremely difficult. For the economy to develop, it is essential to focus on the production of finished goods. This requires implementing fundamental structural changes within the economy, meaning a complete renewal of the activities of economic entities, the emergence of new industries and sectors, and strengthening the interconnections between them. The beginning of these processes indicates the readiness of the economy for growth. In other words, the diversity, modernity, and alignment of sectors and industries with current demands and population needs not only reflect the wealth of the national economy but also indicate its movement towards development.

Therefore, a notable state figure has pointed out that the next direction of economic development is related to labor productivity. The effective organization and implementation of labor allows for greater production and service provision in a short time. As a result, the volume of production in the country continuously increases, while the prices of finished goods offered to the population decrease. Furthermore, efficient and rational labor reduces various resource expenditures. Experts note a certain correlation between the level of inflation in the country and labor productivity. Specifically, as productivity increases, the level of inflation decreases; conversely, inefficiency and unproductiveness in labor contribute to rapid inflation rates. The increasing effectiveness of labor in enterprises and organizations, firms, and companies in the country indicates that the national economy is progressing.

It is also important to emphasize that none of the aforementioned areas can serve as a source of economic development in isolation from one another. For example, it is extremely difficult to refer to an economy as developing if it has high growth rates based solely on raw material sales while simultaneously possessing an archaic structural composition and being far from innovative technologies. In countries where new sectors and industries are emerging but labor productivity remains low, economic development will not occur either. For qualitative changes to take place in the economy and for it to thrive, all the aforementioned areas must manifest in a harmonious and interrelated manner over an extended period.

Economic development is not a spontaneous or random process; it requires the broad mobilization of all existing resources within society. Experts' scientific works describe numerous factors that drive economic development. For instance, American economists Daron Acemoglu and James A. Robinson particularly emphasize that economic development necessitates political stability. According to them, political stability creates the groundwork for the formation of inclusive institutions. These institutions enable a large portion of the population to participate in the political decision-making process regarding economic issues. As a result, economic problems can be addressed in a timely manner, paving the way for rapid economic growth. Conversely, political instability leads to the emergence of extractive institutions. These institutions isolate a significant portion of the population from the economic life of society, resulting in a slowdown in economic growth rates.

The authors cite examples of economic development in countries like the United States, France, and Australia, where inclusive institutions are established, and contrast this with the economic situations in African and Latin American countries where extractive institutions operate. In scientific literature, the importance of investments as a crucial factor for ensuring economic development is often highlighted. For example, researcher A.R. Karamisheva, while acknowledging the role and significance of investments in her article, emphasizes that they create the following opportunities: a) they enable the implementation of policies aimed at reducing the production process; b) they contribute to accelerating scientific and technological development, thereby increasing the competitiveness of products; c) they fundamentally reconstruct the social production process and create a foundation for the harmonious development of all sectors; d) they form a necessary raw material base for industry; e) they lay the groundwork for the advancement of education, culture, and healthcare; f) they help to mitigate the problem of unemployment; g) they improve efforts to protect the natural environment; h) they develop the military-industrial complex and strengthen the country's defense capabilities.

The rates of economic development in countries and their achieved successes are measured, identified, and expressed using various criteria. Among these criteria, gross domestic product (GDP) holds a primary position. "Gross domestic product is understood as the value of goods and services produced for final consumption by all enterprises (residents) located within the territory of this country," writes I.A. Matkarimova. It is considered one of the most precise indicators that allow us to determine whether an economy is developing. Therefore, identifying, calculating, and analyzing this indicator, which reflects the economic situation of a country, is of great importance.

Conclusion. Economist scholars propose various methods for achieving economic development, which allow not only for a detailed determination of gross domestic product (GDP) volume but also for expressing the future directions of economic development. The pace and character of economic development can also be determined by the composition of the country's economic sectors and the share of raw material supplying industries. For instance, if there are many sectors in the economy that are adapted to producing modern, high-demand products that generate significant income, the economy will develop more rapidly. Conversely, if there is a substantial presence of sectors focused on raw material supply and those that do not utilize innovative technologies, it becomes difficult to recognize such an economy as one that is progressing. Therefore, in all countries aiming for economic growth, great attention is paid to the process of diversifying the economy, meaning enriching its composition.

The rates of economic development can also be assessed by measuring labor productivity across various sectors. If these sectors are producing more products with less labor and resources while simultaneously maintaining high product quality, this indicates that the economy is progressing.

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