

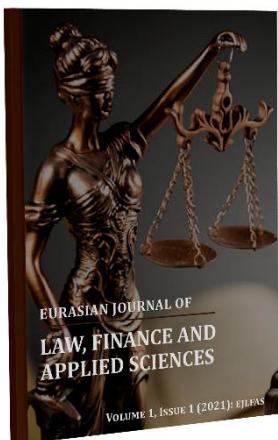


## SOCIO-ECONOMIC AND LEGAL BASES OF ECONOMIC DEVELOPMENT

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We know that the stages of economic development depend on the economic culture of different countries.

### The concept of the economic culture

The economic culture of a society is a system of values and motives of economic activity, the quality and level of economic knowledge, actions and assessments of the individual, as well as traditions and norms governing economic relations and behavior. Economic culture consists of the culture of entrepreneurship, management, economic partnership, financial analysis.

### Tasks of economic culture

Economic culture performs a number of important functions.

❖ Adaptive function. It allows a person to adapt to the socio-economic conditions of society, types and forms of economic behavior, to adapt the socio-economic environment to their needs, for

### ABSTRACT

*The concept and objectives of economic culture, economic freedom, the history of the economy in Uzbekistan, development strategies, the legal framework for economic development.*

example, to bring the necessary economic benefits, to distribute through sales, rent.

- ❖ Cognitive function coordinated with flexible function. Knowledge of the existing knowledge in economic culture, its ideas, prohibitions, legal norms allows a person to have a reliable guide in choosing the content and forms of their economic behavior.
- ❖ Regulation function. Economic culture requires individuals and social groups to have certain standards and rules developed by it, which affect people's lifestyles, their attitudes and values.
- ❖ A translation function that allows the experience of economic activity to be passed down from generation to generation, allowing for communication between generations and epochs.



In addition, economic freedom plays a significant role in economic development. **Economic freedom** includes freedom of economic decision-making, freedom of economic activity. The individual (and only he) decides which type of activity (labor, entrepreneurship, etc.) is preferable for him, which form of property participation is more suitable for him, in which region and in which region of the country he has the right to make decisions. The basis of the market, as you know, is the principle of economic freedom. The consumer is free to choose the brand, the manufacturer, the forms of consumption. The manufacturer is free to choose the type of activity, its size and forms.

A market economy is often referred to as a free economic enterprise. What does the word "free" mean? The economic freedom of the entrepreneur, in the opinion of scientists, is a set of rights that indicate that he has something to guarantee autonomy, the type, form and scope of economic activity, methods of its implementation, use of the product and profit means making independent decisions about search and selection.

## History of economics in Uzbekistan

The implementation of the so-called "Uzbek model" of development, the modernization and renewal of society, will radically change the structure of the economy in a historically short period of time, leading to macroeconomic balance and sustainable economic growth. Between 1991 and 2013, industrial production increased 3.7 times, and over the past 10 years, the average annual growth rate of industry has exceeded the growth rate of GDP, reaching 9.4 percent.

During the years of independence of Uzbekistan, completely new branches of industry have been built in our country, such as automotive, oil and gas engineering, modern building materials industry, railway engineering, household electrical engineering, pharmaceuticals, modern food and textiles. Cars in cooperation with General Motors in Asaka and Pitnak, Isuzu buses in Samarkand and MAN, new truck plants were launched jointly.

The Bukhara Oil Refinery, Shurtan Gas Chemical Complex, Kungrad Soda Plant, Dehkanabad Potash Fertilizer Plant and a number of other high-tech productions have been built in the petrochemical industry. At the same time, in recent years in Uzbekistan, the sectors of the economy programmatic measures on modernization, technical and technological re-equipment, increase of production efficiency are being actively implemented, as a result of which labor productivity will increase 2.1 times in 2000-2013 and the economy will grow, energy consumption decreased by 3.2 times.

The implementation of an active investment policy and the technical modernization of industrial sectors and production infrastructure have served to restructure the economy.

During the years of independence, the service sector has become one of the most promising and dynamically developing sectors of the economy of the Republic of Uzbekistan. If in 2000, services in GDP the share of the sector was 37.0%, while in 2013 it was 53%. If in the early 1990s the foreign trade of our republic was only CIS, today more than 40 percent of foreign trade is with Asian countries and



15 percent with European countries. For example, from 1990 to 2013, the volume of exports from Uzbekistan increased by 35.2 times, while the positive balance of trade has been stable over the past 13 years.

Economic indicators for 2021 compared to 2016: GDP by 1.3 times, industry by 1.3 times, agriculture by 1.1 times, services by 1.7 times, exports by 1.4 times and investments by 2.2 times increased in terms of social indicators: the average salary increased by 2.2 times, centralized drinking water supply increased from 61% to 70%, coverage with MTC increased from 27% to 60% and coverage with higher education from 9% to 28% reached.

### **Development strategy in Uzbekistan**

Within the framework of the tasks set in the Development Strategy for the rapid development of the national economy and ensuring high growth rates:

**a)** Take measures to reduce the annual inflation rate to 9% in 2022 and 5% in 2023 and the fiscal deficit to 3%, and then ensure that inflation and the State Budget deficit do not exceed this figure.

At the same time, to complete the transformation process in state-owned commercial banks, and by the end of 2026 to increase the share of the private sector in bank assets to 60%.

Let the Cabinet of Ministers (J. Kochkarov) together with the Central Bank (M. Nurmuratov) constantly take practical measures to maintain high economic growth and ensure macroeconomic stability;

**b)** From 2023, the value-added tax rate should be reduced to 12% and the corporate income tax rate in banking, finance and telecommunications to 15%.

The Ministry of Finance (T. Ishmetov) together with the State Tax Committee (Sh. Kudbiyev) to submit to the Cabinet of Ministers a draft law on amendments and additions to the Tax Code of the Republic of Uzbekistan by September 1, 2022;

**c)** Take measures to increase the energy efficiency of the economy by 20% and reduce emissions by 20% by 2026 through the active introduction of "green economy" technologies in all sectors.

In order to achieve these indicators, the following projects should be submitted to the Cabinet of Ministers:

Ministry of Energy (A.Sultanov), Ministry of Construction (B.Zakirov) until March 1, 2022 - programs to expand and support the use of renewable energy sources and increase energy efficiency of social, commercial and administrative buildings and structures ;

Ministry of Economic Development and Poverty Reduction (B.Abdinazarov), Ministry of Energy (A.Sultanov) until June 1, 2022 - the transition to a "green economy" to reduce losses in industrial sectors and increase resource efficiency and energy saving program and a decision to create a system to encourage the production and use of electric vehicles.

### **Legal bases of economic development**

➤ introduction of market mechanisms of economic management based on the analysis and forecasting of macroeconomic indicators, formation of strategies for the development of key sectors of the economy in connection with the state of the real sector of the economy, domestic and foreign markets and, global and



regional economic development trends;

➤ development of indicators for the preliminary assessment of the situation in the real sector of the economy and the introduction of a system of effective use;

➤ development and implementation of conceptual directions and tasks of economic development based on the development of human capital and increasing labor productivity, efficient allocation of production and financial resources, the formation of the necessary infrastructure;

Establishment of industrial zones in the regions, development of guidelines for their location, implementation of a unified state policy aimed at their development;

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