



Analysis of the macroeconomic policy of the Republic of Uzbekistan

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ABSTRACT

In the article, studying various approaches to the concept of macroeconomic policy, the authors propose to consider macroeconomic policy as a state policy, the main purpose of which is to limit the levels of unemployment and inflation, support macroeconomic indicators, prevent economic crises, and ensure the stable functioning of the economy, taken relatively by the government. The analysis conducted on the example of Uzbekistan showed what measures are being taken by the government to digitalize the economy during the pandemic and what needs to be done for the government. The author analyzes the branches of macroeconomic policy and suggests some measures for optimal solution of problems with macroeconomic policy on the example of the Republic of Uzbekistan.

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O'zbekiston Respublikasining makroiqtisodiy siyosatini tahlil qilish

Kalit so'zlar:

makroiqtisodiy siyosat, ishsizlik darajasi, o'sish sur'ati, yalpi ichki mahsulot, davlat qarzi, O'zbekiston Respublikasining makroiqtisodiy siyosati.

ANNOTATSIYA

Maqolada, makroiqtisodiy siyosat tushunchasiga turli yondashuvlarni o'rganib, mualliflar makroiqtisodiy siyosatni davlat siyosati deb hisoblashni taklif qiladilar, uning asosiy maqsadi ishsizlik va inflyatsiya darajasini cheklash, makroiqtisodiy ko'rsatkichlarni qo'llab-quvvatlash, iqtisodiy inqirozlarning oldini olish, hukumatga nisbatan qabul qilingan iqtisodiyotning barqaror ishlashini ta'minlashdir. O'zbekiston misolida o'tkazilgan tahlillar hukumat tomonidan pandemiya davrida iqtisodiyotni raqamlashtirish orqali qanday choralar ko'rilayotgani va hukumat uchun nima qilish kerakligini ko'rsatdi. Muallif makroiqtisodiy siyosat sohalari tahlil qiladi va O'zbekiston Respublikasi misolida makroiqtisodiy siyosat bilan bog'liq muammolarni maqbul hal qilish uchun ba'zi chora-tadbirlar taklif etadi.

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Анализ макроэкономической политики Республики Узбекистан

АННОТАЦИЯ

Ключевые слова:

макроэкономическая политика, уровень безработицы, темп роста, валовый внутренний продукт, государственный долг, макроэкономическая политика Республики Узбекистан.

В статье, изучая различные подходы к понятию макроэкономическая политика, авторы предлагают рассматривать макроэкономическую политику как государственную политику, основной целью которой является ограничение уровней безработицы и инфляции, поддержка макроэкономических показателей, предотвращение экономических кризисов, обеспечение стабильного функционирования экономики, принимаемых относительно правительством. Проведенный анализ на примере Узбекистана показал, какие меры принимаются правительством, путем цифровизации экономики во время пандемии и что предстоит сделать для правительства. Автором анализируется отрасли макроэкономической политики и предлагаются некоторые меры для оптимального решения проблем с макроэкономической политикой на примере Республики Узбекистан.

INTRODUCTION

In the modern economy, the macroeconomic policy of the state plays an important role in determining the pace, structure and scale of development.

The relevance of this article is the optimal solution of problems for the development of macroeconomic policy on the example of the Republic of Uzbekistan during the coronavirus pandemic. The article considers the types of macroeconomic policy, the analysis of the structure and content of the macroeconomic policy of the Republic of Uzbekistan and the measures of the government during the pandemic.

LITERATURE REVIEW

Macroeconomic policy is a well-studied area for the country's economy, but the development of new problems that contribute to a decrease in the growth rate of a certain country's economy requires new methods of solving. Therefore, at the same time, it is worth studying existing studies, which creates certain restrictions for studying. Many specialists have their own point of view, considering and analyzing economic resources in their scientific works.

These are the works of such scientists from the domestic country such as Hadjiev B.D., Mambetzhonov K.K., from the CIS countries such as Balabanova G.G., Zhuravleva L.I., Nosova S.S., Vechkanov G.C. and from far foreign countries such as N.G. Mankyu and others.

RESEARCH METHODOLOGY

The methodological basis of the research consists of research, analog, mathematical, situational approaches, as well as methods of logical and comparative analysis, observation methods and statistical methods.

ANALYSIS AND RESULTS

In the modern economy, macroeconomic policy plays an important role in determining the pace, structure and scale of development. The development of the economy in the context of macroeconomic policy is the main problem that we have to face when we have to raise the issue of attracting investment to the state. At the same time, there is a problem of the development of

macroeconomic policy. This problem is being solved within the framework of the development of branches of macroeconomic policy.

“Macroeconomic policy is a state policy, the main goal of which is to limit the levels of unemployment and inflation, support macroeconomic indicators, prevent economic crises, ensure the stable functioning of the economy, taken relatively by the government”.

2020 undoubtedly brought many difficulties to every country in the world. Governments were forced to completely rethink their economies, and some countries faced poverty. Developing countries were forced to attract huge funds to keep their economies afloat.

Table 1

Macroeconomic indicators

Macroeconomic indicators	2019	2020	2021 (прогноз)
GDP growth	5,7 %	1,6%	5,1%
Inflation	15,2%	11,1%	9-10%
Unemployment rate	9%	11,1%	отсутствует
CPI	13,5%	12,5%	9-10%
Foreign trade balance	\$41,8 billion	\$38,6 billion	\$41,9 billion
Foreign direct investment	\$6,51 billion	\$6,63 billion	\$7,81 billion

According to (table 1), during the crisis, the growth of the national economy slowed significantly last year to 1-1. 5%. In order to support the economy, the Government has adopted a Practical Action Plan to restore Economic growth and continue structural reforms in the Republic of Uzbekistan (table 2).

Table 2

Practical action plan for restoring economic growth and continuing structural reforms

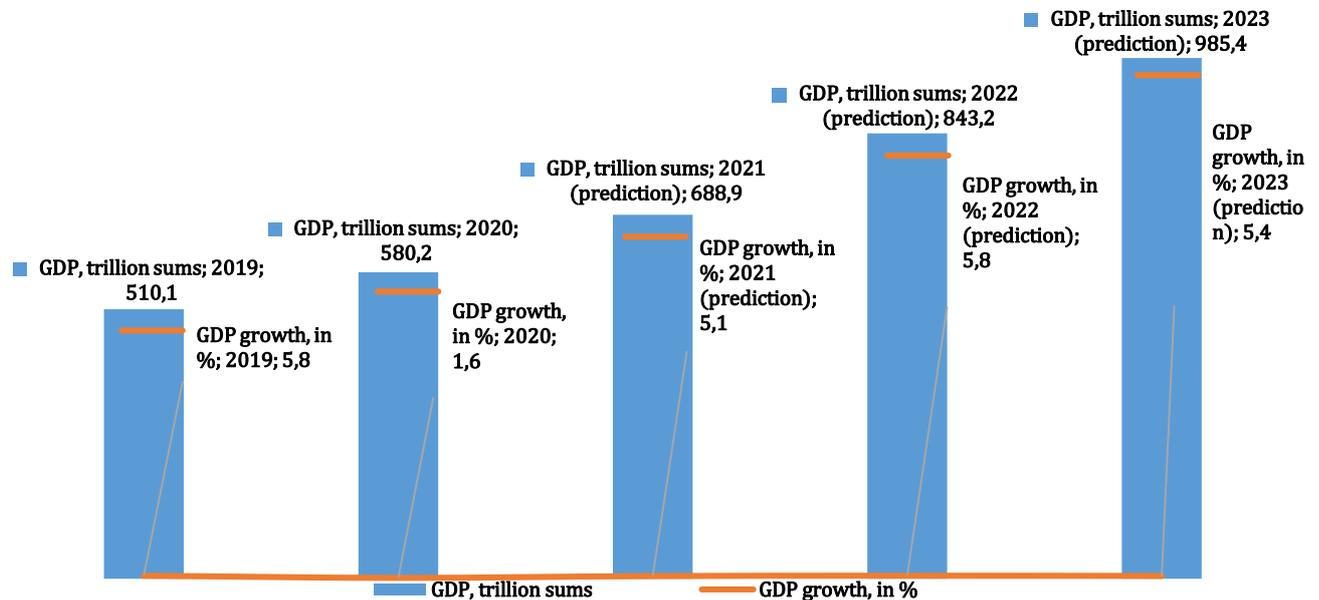
The Action Plan		
provides for the coordination of the efforts of the Government, ministries, departments, economic associations, and local state authorities to:		
overcoming the negative consequences of the coronavirus pandemic for the economy and the population (recovery growth)	creating conditions for the continuation of systemic reforms	identification of new opportunities and reserves that can give an additional impetus to the development of the economy (“growth points”)
STAGE I – stabilization and recovery growth until the end of 2020	STAGE II – continuation of systemic reforms that will ensure stable economic growth rates of 5.0-5.5% from 2021	

In 2021, taking into account measures to stabilize the macroeconomic situation and the continuation of systemic structural reforms, economic growth is expected to recover to the level of 5.1%. At the same time, it is taken into account that in the conditions of the ongoing pandemic, uncertainty remains high.

Quarantine restrictions had a negative impact on all sectors of the economy by reducing their growth rates (table 3). In 2021–2023, a gradual recovery in the growth rates of economic sectors to pre-crisis values is predicted.

Table 3

GDP growth rates



According to the main directions of the country’s monetary policy for 2021, which were developed by the Central Bank, the main task of the regulator is to achieve inflation targets below 10% in 2021 and 5% in 2023.

Taking into account the degree of uncertainty and the specifics of the channels of influence, forecasts of macroeconomic development were developed on the basis of 3 different scenarios – the main one (providing for a gradual recovery of the economy), optimistic (faster recovery) and risky (slower recovery).

Meanwhile, on December 6, S&P Global Ratings confirmed the long-term and short-term sovereign credit ratings of the Republic of Uzbekistan for obligations in foreign and national currency at the level of “BB-/B”. The outlook for the ratings remains “Negative”.

The “Negative” forecast reflects the possibility that the external debt and the debt of the expanded government of Uzbekistan may continue to increase rapidly.

S&P Global Ratings notes that the agency may downgrade the ratings in the next 12 months if it believes that the rapid growth of the government’s external debt, observed in recent years, will not slowdown in accordance with the agency’s expectations, for example, if the current investment needs lead to a larger than expected budget deficit or external deficit.

According to the results of the first quarter, the economy of Uzbekistan is returning to the trajectory of steady growth. The gross domestic product (GDP) increased by 3% in the first three months of 2021.

In general, Uzbekistan’s macroeconomic policy is actively striving to return to pre-crisis dynamics. GDP increased by 3% in the first three months of 2021. The main element of inflation remains the growth of prices for food products-they increased by 3.1% by December 2020. The growth of prices for non-food products remained at the level of 1.7%, but prices for services grew at a faster pace than in the same period last year – by 2.7% in the first three months of this year against 1.5% for the same period last year. According to the results of the first quarter, the economic development of Uzbekistan continued to be affected by the global crisis, which is reflected in a slowdown in the growth

rates of certain sectors of the economy compared to the first quarter of last year, a decline in foreign trade (which is largely due to the cessation of gold exports).

From the above-mentioned directions for the optimal distribution of economic resources, it can be noted that the main attention is paid to animal husbandry, fish farming, the development of silkworms, fruit and vegetable growing as well as the allocation of additional funds to prevent a crisis during a pandemic.

Also, the current situation with the pandemic in Uzbekistan may affect the amount of public debt, and at the same time, the government's measures in such situations will show how well the country was prepared for emergency situations.

CONCLUSION

Thus, the study showed that macroeconomic policy plays an important role in the country's economy. The article analyzes the macroeconomic indicators of the Republic of Uzbekistan in 2019–2023 and the impact of the digitalization of the economy in the macroeconomic policy of the state. In general, Uzbekistan's macroeconomic policy is actively striving to return to pre-crisis dynamics. GDP increased by 3% in the first three months of 2021. All large-scale and relevant projects and tasks through the digitalization of the economy are undoubtedly important for the socio-economic development of Uzbekistan in the coming years, because the future of our country is inextricably linked with the widespread introduction and use of digital technologies. Also, the measures taken by the government of the Republic of Uzbekistan during the pandemic to optimally solve problems with macroeconomic policy showed how the state was prepared for emergency situations. One of the solutions to this macroeconomic policy of the state is to achieve a reorientation of the policy of all branches of economic policy in the country for the purpose of economic recovery, quantitative stimulation of economic growth, and the infusion of substantial state capital into the market. And all the goals such as “inflation targeting”, “money supply regulation” should take a back seat. Everything that works to revive the economy should be welcomed. The Ministry of Economic Development and Poverty Reduction should play a leading role in the development and implementation of economic policy.

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