

# The Essence of Structural Changes in the Economy of the State

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## ABSTRACT

The article contains structural transformations, which are the priority of all stages of reforming the state economy. The article indicates that the priority task of the state is the modernization, technical and technological re-equipment of the most important sectors of the economy, ensuring the acceleration of the growth rate of industrial production.

**KEYWORDS:** *structural transformations, structural changes, stable growth, national economy, competitiveness*

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In modern conditions, new opportunities for the republic are presented to create mechanisms for eliminating imbalances in reproduction and redistribution of resources, i.e., capital overflow, using diversification as a driving factor for innovative development. In the specific conditions of the republic, we are talking about the advanced development of modern high-tech industries and industries, such as gas processing, petrochemical, chemical industry, energy, automotive, electrical industry, pharmaceuticals, machine-tool industry, the industry of modern information technology and telecommunications systems. Along with this, special attention should be paid to the further development of production in the light, textile and food industries for more in-depth processing of cotton fiber, other agricultural products and raw materials, construction materials industry and others.

From the point of view of achieving a progressive structure of the economy, priority development should be given to those sectors, industries and activities that will ensure high rates of economic growth, the introduction of innovations into production; minimum increase in demand for new production resources; participation of the republic on

an equal basis in world economic relations. The general concept of structural restructuring of the economy should be based on these most important development guidelines.

It should also be noted that the main essence and main characteristics of structural changes are their effectiveness and quality, based on quantitative indicators - mass, index, speed and efficiency of structural change. The main trend in different periods of development of the national economy is a slowdown in the growth rate of the production sector with an increase in the growth rate of the service sector, which is expressed by a change in the share of the relevant areas in the structure of gross value added. The predominant role of the service sectors in the formation and maintenance of sustainable rates of economic growth and in increasing employment cannot be regarded in our economy as a progressive trend.

In contrast to developed countries, where the dynamics of these indicators testifies to the manifestation of characteristic signs of the movement of a specific economy towards a post-industrial society, we can only talk about the predominant

development of the service sector in comparison with the production sector (taking into account its lower capital intensity, low barriers to entry into business, low level of monopolization). Analysis of the structure of consumption shows that, despite the high rates of development, the share of consumption of services in our economy has changed very little and amounts to 20%, while in developed countries this figure can reach 40%.

Structural transformations are a priority for all stages of reforming the economy of Uzbekistan. In the course of consistent improvement of the work of individual spheres and industries, such a structure of the national economy was created, which became a solid foundation for stable growth and meets the tasks of the country's socio-economic development, deepening its integration into world economic relations.

In Uzbekistan, the state plays a leading role at all stages of economic reforms. And today, state support aimed at the continuation and deepening of progressive structural transformations, the processes of renewing the life of our society, gives a powerful impetus to further increase the potential, stability and balance of the national economy, the implementation of important social projects in order to further improve the quality of life of the country's population.

Today we have every reason, based on a deep analysis of the trends in the development of the world economy, a real assessment of our resources and capabilities, to set a target for ourselves - to at least double the gross domestic product of our country by 2030. Due to fundamental structural transformations - to ensure accelerated growth of industry and bring its share in GDP to 40 percent against 33.5 percent in 2015, and to reduce the share of agriculture from 16.6 to 8-10 percent, to reduce the energy intensity of GDP by about 2 times as a result of widespread introduction of modern energy-saving technologies[1].

The priority task of the state remains the modernization, technical and technological re-equipment of the most important sectors of the economy, which will ensure an increase in the growth rate of industrial production, an increase in the contribution of the industrial sector to GDP, and an increase in the output of competitive products with a high degree of readiness and in demand in the domestic and world markets. To solve these problems, economics puts forward different approaches that vary based on the tools and mechanisms used, as well as the timing of achieving the goals.

At all stages of market reforms in Uzbekistan, a special place is occupied by the problem of structural transformations in the national economy of the republic. We know that the most important priority in the implementation of the state's economic program should be a policy of deepening structural transformations and diversifying the economy to ensure the growth of the country's competitiveness. The improvement of the structure of the national economy is carried out through a regulated process of distribution in spheres and branches of the national economy, individual regions of the national product, national income, investment, labor resources, as well as the implementation of appropriate technical and foreign economic policies. As a result, the preferential development of the types of activities, products and services that have the greatest social need is achieved.

The most serious attention should be paid to the work on attracting investments directed to the implementation of projects for modernization, technical and technological renewal of industries, structural transformations in the country's economy. For these purposes, in 2015, investments were attracted and utilized from all sources of financing in the equivalent of USD 15.8 billion, or with an increase of 9.5 percent against 2014. At the same time, more than \$ 3.3 billion, or over 21 percent of all investments, are foreign investments, of which 73 percent are foreign direct investments. 67.1 percent of all investments were directed to industrial construction. This made it possible in 2015 to complete the construction and ensure the commissioning of 158 large production facilities with a total cost of \$ 7.4 billion[2].

The totality of changes in social, sectoral, territorial and technological proportions of reproduction is the content of structural changes. Structural shifts are expressed in changes in the natural, value and functional structures of the national product and national income, as well as in changes in the relationship between various spheres, industries and sectors of the national economy. The formation of the structure of the national economy is influenced by the following most important factors, the action of which determines this process, the development of forms of ownership and economic conditions; control system; the level of economic development and the corresponding system of social needs; development of science, technology and technology and their application in production; quantitative and qualitative characteristics of labor resources; specialization of production; development of foreign economic relations and conditions of exchange in the world

market; availability and level of development of the resource base; natural and climatic conditions, etc.

Nothing influences the low level of competitiveness in the foreign market like attachment to any one type of activity or a narrow product group. In such cases, changing market conditions can lead to significant negative processes in the national economy. Therefore, in modern conditions, diversification is an important means of overcoming the crisis, restructuring the republic's economy, and increasing its competitiveness[3].

The diversification process presupposes the expansion of existing production facilities, supplementing them with new types of activities that are closely related to them technologically. Thus, enterprises are being created in the republic aimed at deeper processing of the original agricultural or mineral raw materials. On the other hand, diversification means a departure from narrow specialization and a transition to the production of new goods and services, the development of new

sales markets. In the conditions of the republic, this means the creation of completely new economic sectors for the republic.

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