



"STRATEGY OF ACTIONS" FOR 2017-2021 YEARS: STRUCTURAL CHANGES IN NEW ECONOMIC HISTORY OF UZBEKISTAN

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Annotation. The article is about the discovery of the new history of structural changes, achievements and economic results and the implementation of the "Strategy of actions" in 2017-2021. Annual economic development, changes in state economic policy, provision of human interests, production relations reforms are illuminated.

Key words . Uzbekistan, economic history, Strategy of actions, structural changes, economic freedom, governmental intervention, national income, economic growth, shadow economy, entrepreneurship, national interest

One of the important features of the history of the new economic development of Uzbekistan was that special attention was paid to the diversification of the national economy and the structural renewal of production. Diversification of the economy means the process of creating new high-value products by renewing production forces, increasing the variety of goods and services, introducing new laws of the market economy, developing new industries and sectors in the economy, ensuring the freedom of entrepreneurs.

Below, as a new economic history, we will focus on the structural changes implemented in the national economy in 2017-2021 and their results. The new economic history of Uzbekistan was primarily focused on strengthening macroeconomic stability and maintaining economic growth rates in the following years. For example, in the speech of the head of state at the joint meeting of the Legislative Chamber and the Senate of the Oliy Majlis of the Republic of Uzbekistan on September 8, 2016 it was noted the need to implement additional complex measures to ensure the stability of our national currency, to strengthen the banking system, to ensure the stability of the budget in our country and at the local level ¹.

In 2017-2021, the average annual growth rate of GDP in Uzbekistan was 5.1 percent, and it had a stable development trend. During this period, Uzbekistan managed to increase its economic potential every year in the conditions of the global pandemic, the aggravation of various geopolitical processes, and the mutual sanctions of major countries at the international level.

¹ Mirziyoev, Shavkat Miromonovich, Milli development our way persistence with continue ztirib, new head over heels we will raise - Tashkent: "Uzbekistan" NMIU, 2017. - 592 p.

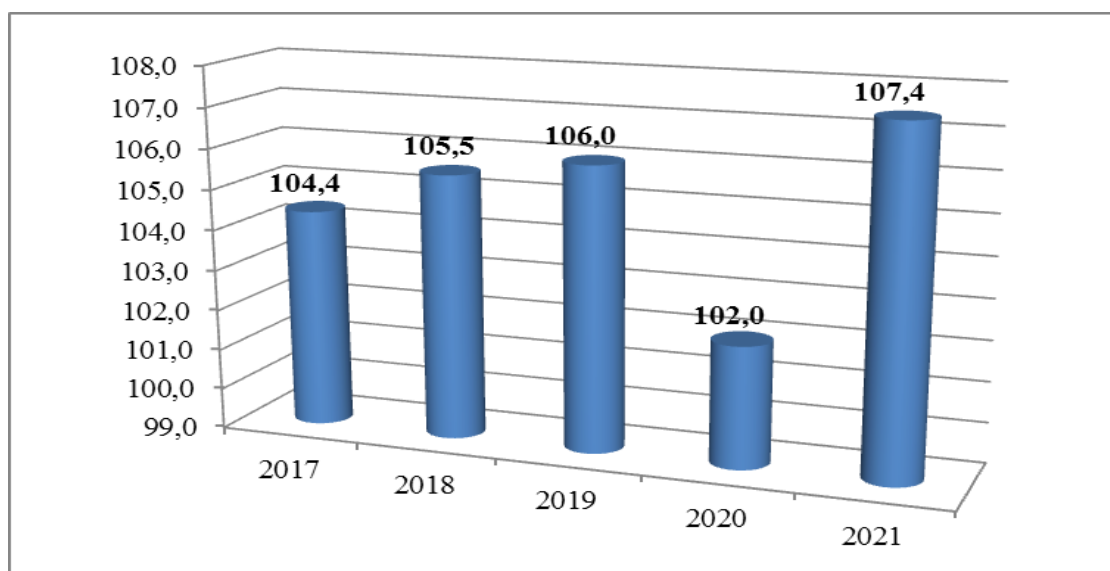


Figure 1. Economic growth in Uzbekistan in 2017-2021

Stable economic growth was achieved due to deep structural changes in the national economy and diversification of production. At the first stage of the formation of the economy of new Uzbekistan, the main task of the government was to eliminate all obstacles and restrictions that hinder the development of private property and entrepreneurship. The share of the business sector in the gross domestic product reached 56.5%, 78% of the population worked in this sector and made a significant contribution to the development of our country. However, despite a number of measures aimed at the rapid development of entrepreneurship by 2017, due to constant inspections and illegal interference in financial and economic activities, there were cases where entrepreneurs were forced to temporarily stop their work, and in some cases to terminate it altogether.

Another important task of the new economic reforms is to support and encourage small business and entrepreneurship, to strengthen the economic power of our country, peace and stability, and social harmony in our country, and to create favorable conditions for further increasing the share of this sector. Because an entrepreneur feeds not only himself and his family, but also the people and the state. The economic policy of the state was based on the principle that " **If the people are rich, the state will be rich and powerful** . " That is why it was estimated that hindering the development of entrepreneurship in New Uzbekistan means hindering the state policy, the President's policy.

Critical analysis, strict discipline and personal responsibility in the diversification of the economy began to be required by the head of state to be the daily rule of every leader - be it the Prime Minister or his deputies, a member of the government or the governor of regions. Taking into account this demand, as well as the proposals received during the extensive discussion of the draft Action Strategy for the further development of Uzbekistan in 2017-2021, the main priority is the implementation of the State Program " **Dialogue with the People**



and Human Interests ", "Human Interests for All" was to consistently implement the noble idea of "above all things" ².

February 2, 2017 was an important event in the economic history of New Uzbekistan. On this day, by the Decree of the President of the Republic of Uzbekistan No. PF-4947, **the Strategy of Actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021** was approved. His third priority was economic development and liberalization. Tasks for further strengthening macroeconomic stability and maintaining high economic growth rates, deepening structural changes, modernization and diversification of leading sectors of the national economy, modernization and rapid development of agriculture were defined in it. Also, to continue institutional and structural reforms aimed at reducing state participation in the economy, protecting private property rights and further strengthening its priority position, encouraging the development of small business and private entrepreneurship, comprehensive and proportionate socio-economic development of regions, districts and cities, using their existing potential goals are also set for efficient and optimal use.

2017 was an important step in the implementation of the measures defined in the State Program "Year of Dialogue with the People and Human Interests", every decision regarding the life of the country was taken on the basis of direct dialogue with our people. The idea that "the people should serve our people, not the public agencies, but the public agencies" has become a priority goal. A number of laws, decrees and decisions, well-thought-out programs on organizing and further liberalizing our economy on a completely new basis, improving its legal framework, modernizing and diversifying production have been adopted and are being consistently implemented.

, businessmen who are able to produce competitive products, most importantly, create new jobs, feed not only themselves and their families, but also bring benefit to the whole society, began to be understood as active entrepreneurs . Expanding the ranks of such entrepreneurs, including bringing and introducing high technologies, techniques and equipment based on the latest achievements of science to our country, and creating suitable conditions for them was considered as the first task. If necessary, they were given every opportunity to gain experience and mutually beneficial cooperation in leading companies and organizations abroad.

In new Uzbekistan 2018 was declared as **"the year of active entrepreneurship, support of innovative ideas and technologies "**. This year, the development of active entrepreneurship was in the center of attention of the state. Necessary measures have been taken to support this sector, to eliminate obstacles and pitfalls in the way of rapid and stable development of business entities. There were still many cases of unjustified checks on entrepreneurs, state agencies did not allow the free development of entrepreneurship. Unnecessary procedures were still maintained, and there were cases where many officials acted for their own personal gain.

Therefore, the head of the state started creating conditions for the possibility of using resources and opportunities, that is, the field of activity is equal to everyone, in compliance

² Shavkat Miromonovich Mirziyoev, Critical analysis, strict discipline and personal responsibility - should be the daily rule of activity of every leader // Report at the extended meeting of the Cabinet of Ministers dedicated to the main results of the socio-economic development of our country in 2016 and the most important priorities of the economic program planned for 2017 .

with the requirements of the market economy. It was emphasized that no one has the right to monopoly, and the import of products necessary for the needs of the population to our country was prevented from accumulating in the hands of only certain groups. Specific measures have been taken to eliminate the conditions of work that stifle free competition and have a negative impact on price stability by giving benefits to some enterprises. A level playing field was created in this matter. Privileges began to be given not to certain enterprises, but to encourage specific types of production and services.

According to the report of the World Bank, Uzbekistan ranked 175th among 190 countries in terms of registration of export-import documents. For example, if 1 hour is enough in Belgium to complete customs documents, it would take 1 month in Uzbekistan. One shipment had to be checked several times within the territory of our country. For this reason, starting from 2018, customs inspections in our country have been carried out through the danger warning system. This saves both state resources and entrepreneurs' time. A new system of warning of risks for business entities during customs inspection, that is, a new system of passing them through "green" and "red" corridors, depending on how honest the entrepreneurs are, has been introduced.

On the initiative of the President of the Republic of Uzbekistan, Shavkat Mirziyoyev, in 2018, the audit of the financial and economic activities of all business entities was suspended for 2 years. Under the leadership of the Prosecutor General, the heads of supervisory bodies organized monthly meetings with exemplary, active businessmen to listen to the problems that plague them, to identify and eliminate shortcomings that hinder their legal activities. The activity of the Chamber of Commerce and Industry has increased in reliable protection of the rights of entrepreneurs. Work on the transfer of vacant state-owned objects to the private sector on the basis of mutual partnership has accelerated. A unified procedure for allocating land plots, including for entrepreneurs, has been established through electronic sales and auctions on the Internet. Individual approaches to granting tax incentives have been abandoned, and the practice of applying them only to certain sectors of the economy has been adopted.

In 2018, about 2 trillion soums were allocated within the framework of programs such as **"Every family is an entrepreneur"** and **"Youth is our future"**, and more than 2,600 business projects were implemented locally. Starting from this year, 5.5 trillion soums of additional funds were left in the regions due to the part of taxes that exceeded the forecast. This is 6 times more than last year, and 32 times more than 2016. **"Prosperous Village"** and **"Obad Mahalla"** programs were welcomed by our people with great satisfaction. In this regard, 3 trillion soums were allocated for construction and improvement works, and 416 villages got a new look.

In the coming years, the task of expanding production and actively attracting investments in New Uzbekistan stood crosswise. For this reason, **2019 was named "Year of Active Investments and Social Development"** and the rapid development of our economy began to be achieved due to the active attraction of investments and the launch of new production facilities. Open economy, healthy competition, creation of necessary conditions for fundamental improvement of the business and investment environment, reduction of state participation in the economy, increase of new jobs through rapid development of the private sector, modernization and diversification of the economy, ensuring high economic growth by increasing labor productivity, "hidden" specific measures have been taken to fight against the economy, sharply reduce its size, consistently continue the currency liberalization policy,



implement a stable monetary policy, and train qualified personnel capable of realizing strategic tasks related to the development of the economy.

The share of the "hidden" economy in the GDP is large, which has a negative impact on the country's development. The main idea of the new tax concept introduced in 2019 was to reduce the tax burden and apply a simple and stable tax system. This made it possible to increase the competitiveness of our economy, to create an all-round favorable environment for entrepreneurs and investors. Reducing the tax burden, creating more favorable conditions for doing business is the only way to end the "hidden" economy. Therefore, special programs, which provide for effective measures in this regard, have been put into practice. The new version of the Tax Code envisages encouraging honest and honest taxpayers, who are the backbone of the country's development, and punishing those who work in secret.

By 2020, integration of the country's economy into the world market and export support are set as a priority task. During this period, measures were taken to increase the export volume by 30% to 18 billion dollars. The head of state emphasized the need to transition to an export-oriented economy and create a competitive environment in the domestic market. Also, the transport-logistics system in diversifying the economy improvement too the most current was the issue. Because to the sea exit our opportunity limited for when exporting the product many difficulties appear is happening Therefore, "Uzbekistan Airways" and "Uzbekistan iron roads" companies export our national goods according to modern logistics directions to create tasks were defined. The government of Uzbekistan has begun negotiations on the transfer of export goods from neighboring countries by rail at preferential prices. At the same time, steps were taken to raise our country's position in the World Bank's "Logistics Efficiency Index" to a higher position. For this, it was necessary to drastically simplify customs procedures, to radically reform customs control points and cargo clearance posts.

During the period of new reforms, comprehensive measures have been implemented to **develop tourism**, attract investments, and increase human resources. In our country, tourism was often limited to our ancient cities, historical and cultural monuments. However, the unique nature of our country, national reserves, and mountainous regions have great potential for tourism development. In particular, the development of medical tourism, pilgrimage tourism and ecotourism gives a great impetus to the development of not only the economy, but also the social spheres. Therefore, the development and implementation of the national concept of tourism development in 2019-2025 has begun. On this basis, tasks were set to increase the number of foreign tourists visiting our country to 7 million and the annual income from tourism exports to 2 billion dollars in 2025.

Under the conditions of new reforms, 93 thousand new business entities were established in 2019, or almost 2 times more than in 2018. In the "Doing Business" rating of the World Bank, we have risen 7 places, and we have taken the 8th place among 190 countries of the world in terms of the index of business registration, and we have been ranked among the best reforming countries. Also, 6.7 million foreign tourists visited our country last year as a result of the introduction of a visa-free regime for citizens of 86 countries and a simplified visa regime for citizens of 57 countries. This means 4.7 million people or 3.3 times more than in 2016. Within the framework of the "Prosperous village" and "Prosperous neighborhood" programs, large-scale construction and beautification works were carried out in 479 villages and farms, and in 116 urban neighborhoods. 6.1 trillion soums were spent on this, or 1.5 trillion soums more than in 2018. Our reforms are well appreciated by the world community. In



particular, "Economist" magazine, one of the most influential publications in the world, recognized Uzbekistan as "Country of the Year" in 2019. This was the result of the implementation of the basic principle that **"the people should serve the people, not the public bodies, but the public bodies should serve the people"** in improving the quality of the management system.

The year 2020 was named **"Year of Science, Enlightenment and Digital Economy Development"** in order to rapidly continue the work we have started on the development of science and the formation of a competitive economy in our country. In order to build a knowledge-based economy, for the first time in our history, a system of preparing 6-year-old children for school has been introduced. 130 billion soums were allocated from the budget for this, and private preschool educational institutions also directly participated in this process. Complete digitization of the construction, energy, agriculture and water management, transport, geology, cadastre, health, education, and archive sectors has begun. "IT-park" with modern infrastructure has started to be built in Tashkent city. It was decided to establish such "IT-parks" in the cities of Nukus, Bukhara, Namangan, Samarkand, Gulistan and Urganch. **"Digital Uzbekistan - 2030" strategy was developed.**

According to the analyzes of the International Monetary Fund and international rating agencies, in 2020, despite the tests related to the pandemic, Uzbekistan maintained positive growth rates among the few countries in the world. This in the year 197 large ones in our republic, thousands small and medium enterprises and infrastructure objects set up done In particular, "Navoiyazot" produces ammonia and urea release complex and nitric acid plant, Mubarak, Gazli and Shurtan oil and gas enterprises liquefied gas production release devices, such as the Tashkent metallurgical plant big powers to work dropped. Only in the energy sector foreign investors with public-private partnership based on 6 new electricity station set up reach works started Theirs common The cost is 2 billion dollars, and 2,700 megawatts of power have Tashkent 2 new metro stations in the city and 18 kilometers above ground for the first time subway to use submitted.

2021, the last year of implementation of the action strategy in our country, was declared as **the "Year of Youth Support and Public Health Promotion"**. This year, special attention was paid to science and innovation, which are the basis of the country's economic development. In 2021, the number of doctoral students in universities and scientific organizations will be increased to 4.5 thousand or 3 times compared to 2017. An additional 240 billion soums were allocated from the budget for these purposes. For the first time, mathematics, chemistry, biology and geology were identified as the priority areas of education and science, and measures were taken for their comprehensive development. Including 98 specialized ones schools and geological sciences university organize done Study programs fundamentally again seeing came out, of teachers work right increased

Poverty in the national economy shorten comprehensive approach and non-standard methods current started with et. The issue of poverty would not be solved by giving loans, social benefits or housing. Therefore, the tasks of solving complex problems related to education, health care, vocational training, drinking water, energy and road infrastructure have been implemented. In the "Social Register" launched in 2021, all the information in the "Iron Notebook" was covered, and more than 30 social services began to be provided electronically to needy families.



The most important factor for getting out of poverty is the desire of a person, relying on his own strength, and moving towards a specific goal. For this purpose, in 2021, more than a thousand vocational training centers were established in neighborhoods. For each person trained in the profession, training centers were subsidized up to 1 million soums, for which 100 billion soums were allocated from the budget. Subsidies of up to 7 million soums were given to citizens who want to start their own business after completing training courses. Also, based on the possibility and direction of development of each district, land areas from 10 to 1 hectare were allocated to families engaged in farming.

It can be concluded from the above that, as a result of the reforms implemented in the "Strategy of Actions" in 2017-2021 to develop the economy and liberalize business activities, Uzbekistan has taken serious steps to create an economic system that operates with real market laws and is focused on the interests of the people. The gradual reduction of the intervention and influence of the state in the national economy made it possible to structurally renew the economy, increase production efficiency, actively join the world economy, and absorb investment resources more widely. In the economy, evils such as corruption, commandeering, unjustified interference of state agencies in the activities of business entities have begun to be seriously eradicated. Based on their own potential, growth points and driving sectors in regions and regions, the basis for effective regional economic policy was created. As a result of the significant increase in the income of the population and the volume of the gross domestic product, positive changes were also achieved in the well-being of the people.

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