
THE ESSENCE AND PRINCIPLES OF REGIONAL ECONOMIC POLICY AT THE PRESENT STAGE

DISLHOD ELOV

PhD in Economics, Associate Profesor, Mirzo Ulugbek National University of Uzbekistan
Elov.dilshod@mail.ru

ABDUVAHOB UMAROV

Associate Professor of Macroeconomics, Faculty of Economics, UzSU

ABSTRACT:

This paper makes analyses on the essence and principles of regional economic policy at the present stage. Therefore, both theoretical and analytical analyses were conducted. It concluded with outcomes and shortcomings of the essence and principles of regional economic policy at the present stage.

KEYWORDS: Essense, principles, Uzbekistan, economics, policy

INTRODUCTION:

In the literature, the concepts of regional policy and regional economy are often used as synonyms without any reservations, although the incorrectness of their full identification is obvious: just as the economy is only one (albeit incredibly important) area of human activity (including the processes of social production, exchange, distribution and consumption of material and spiritual goods, etc.), and regional economic policy does not cover the entire spectrum of possible management activities of the state.

The regional economy studies the economy of individual regions: the objective prerequisites for the region's economic development (geographical location, natural resource, demographic, production potential), production structure, social sphere and living conditions, the system of resettlement and location of the economy, the mechanism of functioning and management of the economy,

etc. d. Along with the elements and mechanisms of the internal structure of the region's economy, the economic ties of the region with other regions of the country and other countries must be studied.

Thanks to interregional economic ties, systems of interacting regions are formed, and the economy of each region becomes part of any one or more regional systems.

Regional science as a system of knowledge about the spatial organization of the public economy, it already has its own scientific schools and their prominent representatives, who have made a significant contribution to the development of the regional paradigm of economics and management. Among the foreign classics of regional science, we can name the German scientists I. Tyunen, A. Weber, V. Kristler, J. Lesch; Swedes G. Myrdal, E. Heckscher, B. Olin; Americans W. Isard, V. Leontiev; Russian economists N. Baransky, N. Kolosovsky, N. Nekrasov, R. Shniper and others.

The main postulates of the theory of comparative advantage served as a starting point in the research of two Swedish economists and their creation of the theorem (named after its authors the Heckscher-Olin theorem), or the theory of the ratio of production factors. This theory justifies the need to specialize regions in the production of those goods that use excessive, and therefore cheaper, factors of production.

In turn, the German exercises And.Tunen identified the dependence of the specialization

of enterprises on space factors that affect production costs and profit margins.

Moreover, among the spatial factors, according to V. Kristaller, an important role is played not by the object of placement, but by the place, the point of placement. On this basis, he built a fairly clear theory of Central places and peripheries, thus revealing the role of cities and agglomeration in the formation of the territorial structure of the national economy.

A peculiar apogee of the German school of regionalists was the theory of industrial placement, put forward in 1909 by A. Weber. In his opinion, the choice of the location of the enterprise is most influenced by the interaction of three factors:

- transport costs (a major factor);
- labor costs;
- agglomerations.

Although Weber's theory of location was based on an isolated, abstract model of the region, it still allowed him to formulate two important principles for placing industry on the territory:

- first – based on the macroeconomic approach, it is possible to build a methodological scheme for choosing the optimal solution for the placement of individual enterprises;

- * second-minimizing the costs of an individual enterprise is the main criterion for its placement.

However, later Western economists revised the validity of the principles proposed by A. Weber for the placement of industrial enterprises and proposed new approaches. Thus, the American scientist William Alonso believes that the role of the microeconomic approach to justification of administrative decisions gives way to macroeconomic rationale and the choice of location is mainly determined by external factors to which he attributed the economic development of the territories obtained from the use of this factor

the savings to close the savings generated by locating businesses closer to sources of raw materials and areas with abundant, but unskilled labor.

But the theory of production placement was not the only area of regional science, the father of which is quite deservedly considered a scientist from the United States, W.'d. It was the Americans W. Izard and V. Leontiev who expanded the subject of regional science by including issues of managing the spatial organization of the economy, planning, forecasting, and strategic management.

The transition of the advanced countries of Europe and Asia to the post-industrial stage of their development could not but give rise to a number of new regional economic schools and theories. The reasons for their occurrence are due to the need of regions to justify their management decisions based on knowledge of economic processes that lead to the rise and fall of some regions.

Thus, the theory of aggravation of regional imbalances during the normal development of the market economy (mid-60s) explained the differences in the economic development of territories by the influence of behavioral factors on business activity. The "center-periphery" model motivated the weak development of districts by their peripheral position.

Neoclassical theory explains the economic differentiation of territories by insufficient mobility of factors of production. To balance spatial differences, free competition, full involvement of factors of production, full mobility of labor and capital, and adequate technology are necessary. In fact, neither labor nor capital is fully mobile, and rents are not flexible, which leads to an imbalance in the income of companies and citizens in different regions.

On the contrary, the theory of cumulative causal relationships of the Swedish economist

G. Myrdal assumes that the free play of market forces is impossible. For example, labor will move from less developed areas to more developed ones, as will capital. Thus, underdeveloped areas become even less attractive and less developed.

The link between the region's specialization and its level of development is also developed by the theory of economic base: the more specialization in products that are in high demand, the greater the export of goods and the growth rate in the region.

Thus, the theory of creating a favorable environment for innovation makes the development of the region dependent on its ability to borrow innovations and technologies and provide flexible changes in the structure of production in the direction of increasing the share of efficient industries.

The theory of location indicates that the importance of factors of territorial location of production changes over time, technical progress plays a role here (the plane and truck replace the ship and train); the transition in providing production from less skilled to more skilled labor; the diversification of both local needs and factors of location of production.

Thus, regional policy is the implementation of economic goals and objectives of the state power, even when it comes to the non-economic sphere, the mechanism for ensuring, for example, the necessary social or economic standards inevitably "rests" on financial and economic levers. In the United States, England, and other countries, the terms "theory of location" and "theory of regional development" are used, which were later "supplanted" by the generic term "Regional science". Although the expressions "space Economics" and "Spatial Economics" are found in the literature, they have one operational flaw: they seem to exclude non-economic aspects of regional development. The term "Applied geography" is

also used, but it refers only to the part of regional studies that operates in purely geographical categories.

The authors' position is different and the regional economy's structure is diverse, for example, I. I. Nekrasov noted "the Rational allocation of productive forces is considered as the basis, the main component of the regional economy".

T. G. Morozov offers the following definition: "Regional economy is a field of scientific knowledge that studies the development and placement of productive forces, socio-economic processes on the territory of the country and its regions in close connection with natural and environmental conditions."

The transition to a market economy, change of place, the role of regions in economic life of society could not fail to lead to the regionalization of the economic process that is associated with the increased interconnectedness and interdependence of regions as parts of a single state of the economic system and the increasing openness of the economies of the regions that required the establishment between them of close relations on the formation of commodity, financial, labor and information resources. It is these economic relations that represent the territorial organization of the sphere of circulation and where the interests of producers and consumers are coordinated on the basis of supply and demand for various goods and services that constitute the market process.

As A. S. Novoselev notes, "the regional market is a territorial organization of the sphere of circulation, where the interests of producers and consumers are coordinated, while the regional market is considered from the perspective of the reproduction process - the interweaving of numerous interactions of regional economic entities that are producers and consumers of various types of goods and

services. The regional market has an open character and developed economic ties with other regions of the country and the world."

Thus, the subject of regional economy in a broad sense is multi-sided. Its main components are:

- economy of a particular region;
- economic relations between regions;
- * regional systems (national economy as a system of contributing regions);
- the distribution of productive forces;
- * regional aspects of economic life .

Regional Economics studies the totality of economic and social factors and phenomena that determine the formation and development of productive forces and social processes within specific regions. Regional development implies a change in the internal socio-economic structure of the region. Regional planning, which is usually associated with regional programming, is a form of government intervention in the economy to alleviate acute regional contrasts and social contradictions. We are talking about the development and implementation of special programs for the development of individual regions (in countries with elements of a planned economy-often in the context of special national plans: five-year plans, seven-year plans, etc.). Regional modeling refers to the econometric (economic and mathematical) construction of the existing or prospective socio-economic structure of the region in order to optimize it (regionometry). Finally, regionalization (or zoning) refers to nothing more than the process of taxing regions (districts).

Economic policy the need to mitigate regional economic imbalances, and in some cases to achieve regional economic balance, is characteristic of all countries, both prosperous and included in the well-known UN list of least developed countries in the world. The mechanism for implementing these goals is highly developed and includes state financial

assistance, attracting local allocations, including private capital (by providing investors with various types of benefits and deferred payments), legislative measures, financial restrictions, penalties, etc.

Demographic policy. Strictly speaking, demographic policy is an integral ingredient of social policy, but it is so specific that it has received an independent status in the literature. It means active intervention by the state (through economic, administrative, legal, and propaganda and prevention measures) in both the natural and mechanical movement (migration flows) of the population in order to achieve region-specific goals.

Environmental policy. Increasing concentration of production, dictated by the objective needs of its development, urbanization and crowding of the population, the widespread use of synthetic materials that can not be transformed by nature, have led to a sharply increased burden on the environment.

Science and technology policy. The scope of regional scientific and technical policy includes the conditions and factors for the location of research centers, the relationship between the concentration of R & d (research and development) and the location of productive forces, territorial forms of combining science and production (including technopolises and techno-parks), regional movement of scientific personnel (including "brain drain"), etc.

Strictly speaking, regional policy structuring can be done differently: everything depends on the criteria underlying it. So, sometimes the following types are distinguished:

1. by goals (policy of equalization of regional development levels, maximum use of local resources, etc.);
2. by mechanism (automatic, i.e. distribution by formula; problem, i.e. – by special programs; target, i.e.-by specific

regions);

3. by means (financial: assistance, benefits, fines, etc.; administrative: permits and prohibitions; infrastructure: construction of roads, and so on):

4. by destination (regional organizations, firms and organizations, individual citizens), etc.

The region, as the main unit of socio-economic space, is characterized by some structural features.

If the region-forming features decrease from the center (core, node) to the periphery, the region is called nodal (sometimes polarized). If there is no obvious decrease and the signs in the horological (i.e. from place to place) relation fluctuate slightly - this area is called homogeneous, uniform (or homogeneous).

Important structural elements of the region include a point, center, focus, core, pole, and periphery. The smallest formalization possibilities are provided by a point - in fact, any economic object, a section of a region whose internal dimensions can be ignored (in this case, the term should not be confused with a point in mathematics). Center-a point within a region whose connections to the rest of the territory are functional (again, the term should be distinguished from the mathematical center - equidistant from the borders of the point, which does not indicate the presence of any connections). The concept of a hotbed is closely associated with the previous term, but it is no longer just a center, but a center of diffusion, spreading the flows of matter, energy, Finance, and information to the entire region or part of it. A peculiar kind of center is the focus, in the direction of which the contraction occurs, the concentration of flows of matter and energy (the center of attraction). The core of the region should be understood as the area where the properties and characteristics of the region are expressed with the greatest brightness

(density, intensity). Usually the center, focus, focus, cor

The terminology of regional classifications used in the industrialized countries of the West is incomparably richer than in the underdeveloped ones. Here, in particular, distinguish:

1) depressed regions that have shown relatively high rates of development in the past;

2) stagnant regions with extremely low or "zero" development rates;

3) pioneer regions or regions of new development (in developing countries, the role of such regions is somewhat different);

Since regional policy implies the scope of activities for managing the economic, social and political development of the country in the regional aspect in accordance with a pre-developed program, it is logical to briefly discuss the organizational forms of such management.

The main functional forms of regional policy include:

1) the prediction;

2) programming;

3) planning.

The boundaries that separate these concepts from each other are sometimes quite arbitrary. It is considered that regional forecasting is a scientific prediction of the expected directions and parameters of socio-economic development of the region based on the analysis of sources of financing, economic structure, etc. Regional programming is already associated with purposeful intervention in the development of the region, formulating objectives and intermediate targets of socio-economic development of the region and identify specific time-related goals and the necessary resources. Finally, regional planning means setting specific tasks and goals for the planned (planned) period, indicating the sources of funding, direct performers, etc.

Spatial differences in the provision of resources, the level of economic development and quality of life of the population, infrastructure equipment, the environmental state of the environment, the severity of national and social conflicts are inherent in almost all countries, regardless of their position in the world table of ranks. (Even in the "big seven" countries, regional per capita income sometimes varies by state, province, etc. by 30-50 %). These contrasts are constantly and everywhere produced because of the discrepancy between economic and social, strategic and tactical development goals. Often there are problems of development (pre-development) of territories, especially in such vast countries as Canada, the United States, Austria, China, not to mention Russia.

It is obvious that the goals and objectives of regional policy (as well as its forms and methods) of different States can not coincide and vary very widely. At the same time, there are General, generalized goals inherent in the regional policy of almost all countries implementing it, without exception. This, above all:

- 1) creating and strengthening the common economic space and ensuring the economic, social, legal and organizational foundations of statehood;
- 2) relative alignment of conditions for socio-economic development of regions;
- 3) priority development of regions of special strategic importance for the state;
- 4) maximum use of natural, including Resource features of the regions;
- 5) prevention of environmental pollution, greening of regional environmental management, comprehensive environmental protection of regions, etc.

The main directions of regional policy of Western European States are mainly associated with the fate of the so-called problem areas: depressed old-industrial, underdeveloped

(agricultural and industrial and with extreme natural conditions), excessive concentration of population and economy, and crisis areas within the largest agglomerations, etc.

In developing countries, regional policy requires the involvement of new territories and resources in economic turnover, the integration of various spaces into a single national market, the mitigation of contradictions between cities and villages, the regulation of the process of urbanization, etc. here two contrasting trends in regional development are clearly seen, expressed through the relationship "center-periphery" (development "from above") and through "intra-peripheral diffusions" (development "from below"). In many respects, this is the result of underdevelopment, since the most effective combination (merger) of both directions of regional policy: both "from above" and "from below". This is clearly demonstrated by the experience of India, Brazil, Mexico and other countries.

The orbit of regional policy includes such main points as:

соотношение correlation and interaction of the main driving forces of regional development: socio-economic structures and sectors (public, private, joint-stock, cooperative, mixed, etc.);

□ the balance of internal and external factors and tools of regional development;

соотношения the ratio of national (state-wide) and regional aspects of development, Central and regional levels of economic management (the level of regional autonomy, the degree of centralization of planning and management);

отношение attitude to the task of optimizing regional proportions, raising the economy of backward areas, developing new territories and natural resources, etc.

From a methodological point of view, regional policy should be considered an economic function of the state.

Since 2003 Uzbekistan has been implementing a set of administrative reforms aimed at:

- * reduction of the state's presence in the economy, elimination of elements and forms of centralized management remaining from the previous command and administrative system, radical changes in the structure and management system;
- * elimination of the distribution system and transition to market mechanisms for the sale of material resources;
- * formation of new mechanisms for interaction between society and the state, ensuring openness and transparency of public administration.

The structure of state and economic management has been optimized by eliminating duplicate ministries, departments and state organizations, resource allocation functions, and management of economic entities. The Republic has retained 13 ministries, 11 state committees and 9 agencies, and 3 Committees whose functions include the following associations will now function either in the form of joint-stock companies or in the form of associations of manufacturers. All of them are deprived of the functions of public administration.

As part of the overall administrative reform, local government reform (MOU) is important. The main tasks of local government bodies are to:

- * improving the level and quality of life of the population;
- * ensuring the effective functioning and progressive growth of the territories ' economy;
- * creating conditions and prerequisites for sustainable development of regions, cities and districts;
- * implementation of structural, investment and scientific and technical policies

REFERENCES

1. Regional economy/ Ed. by T. G. Morozova. Moscow: UNITY, 1998. P. 10
2. Center for economic research, report "Main directions of local government reform in Uzbekistan". 2004.
3. Decrees Of the President of the Republic of UZBEKISTAN, "on improving the system of Republican public administration" from 09.12.2003 and "on improving the system of economic management bodies" from 22.12.2003
4. Granberg A. G. Fundamentals of regional economy. Theory of agricultural standard. Moscow: Higher school of Economics. 2000. P. 31.
5. Nekrasov N. N. Regional economy. Theory, problems, methods. Moscow: Economics, 1978. P. 19.