Economic of structural changes in economic sectors theoretical basis for assessing the impact on growth

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Abstract: In this article, the comparison of various models related to macroeconomic balance and economic growth is studied on the basis of various graphs, formulas and tables, and their comparisons are made. In addition, the specific characteristics of the models and their application in what period and for what economic systems are covered in detail. Economic growth refers to an increase in the size of a country's economy over a period of time. The size of an economy is typically measured by the total production of goods and services in the economy, which is called gross domestic product (GDP).

Key words: economic growth, capital, labor, goods market (IS), money market (LM), balance of payments (BP), interest rate, return on capital, technologies, capital accumulation, accumulation level.

Enter. It is known from the history of economy that from the beginning of the natural economy to the period of the current market economy, the economic views specific to each economic process were created during that period, and in many cases these economic ideas Although the structure of economic management changed for that period, they also lost their power and paved the way for the formation of other economic ideas. Similarly, along with general economic ideas, specific economic ideas, for example, the ideas of scientists focused on economic growth, are different in different periods, and the factors included in them are also significantly different from each other.

In this article, the definition of economic growth according to different researchers, answers to the main questions related to the sources of economic growth, the analysis of various models related to economic growth and their components, as well as the reasons for the differences in economic activity across countries. it will be possible to get acquainted with wide and comprehensive information. Questions on this topic are important not only for economic theories, but also for macroeconomic analysis and social science. This article examines the features and differences between the economic and general equilibrium models, the Harrod-Domar model, the Robert Solow economic growth model, the IS-LM-BP model, and the AD-AS model. wished In addition, the ideas of economic growth of D. Acemoglu, one of the modern economic scientists, are analyzed.

Literature analysis. Many scientists have conducted research on the theory of economic growth. But in this article, we will get acquainted with the most comprehensive and popular theories of economic growth and equilibrium. First of all, according to the scientists of our country, including Dzhumaev, economic growth means a long-term increase in the level of potential production corresponding to the conditions of full employment. According to this scientist, economic growth means an increase in aggregate supply, or in other words, an increase in real and potential GDP [1].

Let's talk about the Harrod-Domar growth model. This model is the result of independent research of British economist Roy Harrod and American economist Evsey Domer. According to this model, economic growth depends on three factors: capital (K), labor (L), resources (R). Y = F (K, L, R) where R and L are capital production are considered factors that lead to inflation [2]. Now we turn our attention to the Solow-Swan model named after the economists Robert Solow and Trevor Swan, or the Solow model in many literatures. These scientists introduced the Solow model in 1956 with the publication of an extensive paper [3].

Bob Solow later developed the future prospects of this model and its applications, and was awarded the Nobel Prize for this contribution to economics. This model changed not only our view of economic growth, but also our approach to all areas of macroeconomics. Professor Xavier Sala-i-Martin in his work entitled "Economic Growth" listed three different factors as the factors that ensure economic growth. They are capital K (t), labor (t) and intelligence T(t) [4].

In this case, the production function is as follows: Y(t)= F [K(t), L(t), T(t)] Here Y (t) represents the amount of production during a certain period. The difference between this economic model and the Harrod-Domar model lies in the last factor. According to him, it was mentioned that resources cannot be used without technology and knowledge in society, and it is intelligence and technology that make resources stronger. emphasized. In his opinion, this model is suitable for countries with "high population density, capital shortage, and limited natural resources" [5]. Such countries include countries like India, Pakistan, and Egypt. Professor Acemoglu's main contribution to development economics was his work on the primacy of political institutions in development, a theory he developed in Why Nations Decline. announced. In this, he emphasizes that there are two main types of institutions: extra-active and inclusive. Extractive institutions were created to serve a small or single individual (for example, nobles during the feudal system). But inclusive institutions are managed by the majority and therefore intend to improve the general well-being of the population [6]. The Ramsey model is a neoclassical model of economic growth. It describes the time evolution of capital and consumption in a closed economy with exponential population growth. In this work, the Ramsey model for the total time evolution of the population is formulated. Also, Ramsey's rule in economics is the "rule of inverse elasticity". In it, the amount of tax imposed on products should be opposite to the elasticity of demand for products [7]. Research methodology. The article includes a systematic approach, statistics, comparison, scientific abstraction, and existing domestic and foreign literature related to economic growth and Theories of economic growth are compared and graphically illustrated by studying the articles.

Methodology.

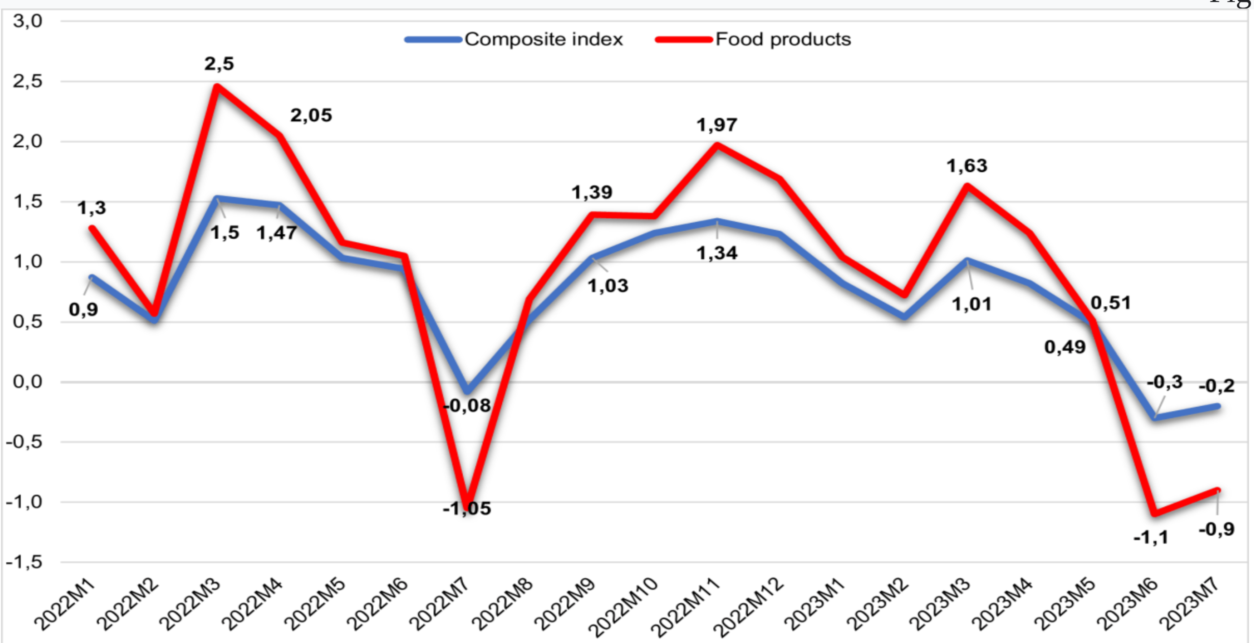
Systematic analysis, statistical-economic and scientific abstraction, comparative and structural analysis and a number of other methods were used in the article.

Results and analysis.

According to the preliminary data of the State Statistics Committee of the Republic of Uzbekistan, in the first half of 2020, economic growth rates were maintained, albeit small. The volume of the gross domestic product (GDP) was 255.3 trillion soums, and the growth rate was 0.2%. Compared to the same period last year, this indicator was 6%. The growth of gross added value in industries was 0.3%. ADB's "Asian Development Prospects" (ADO) annual economic publication

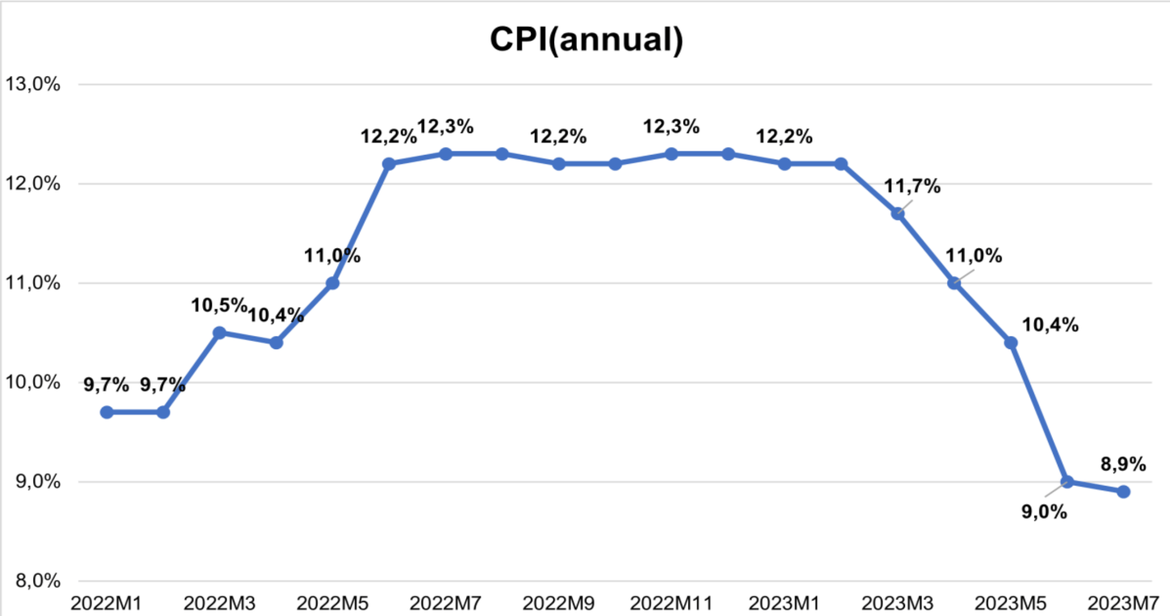
Monthly Headline and Food Products' Inflation

Figure 1.



Source: Stat.uz, 1st quarter of 2023

In July, the monthly CPI stood at -0.2% -a slight increase compared to the previous month (-0.3%) (Figure 1). In the corresponding period of 2022, the monthly inflation rate was slightly higher at –0.1%. Compared to the beginning of the year, the general price index increased by 3.3%, which represents a significant slowdown compared to the corresponding period of 2022 (6.4%). The average monthly inflation over the first seven months of 2023 was 0.7%.



Source: https://stat.uz/images/uploads/reliz-2023/narx_-2023_-yanvar-iyul-5.pdf

On the 27th of July, the Central Bank of Uzbekistan decided to leave the key rate unchanged at 14% p.a. The Central Bank motivated this decision by persisting inflationary pressures from demand fundamentals, no significant decline in services inflation over the past 6 months, slower than expected decline of core inflation (11.3% in June compared to 12.4% in May), and high inflation expectations by both the population and entrepreneurs. Recall that the central bank targets annual inflation in the range of 8.5-9.5% for the end of this year. This indicator was already reached in both June and July 2023. This slowdown of annual inflation creates a foundation for lowering the key rate in the upcoming meetings of the central bank, the next being scheduled for September.

Summary

To conclude from the above, structural reform and development of the economy requires the introduction of a modern and inclusive institutional system based on rapid identification and elimination of existing problems and obstacles. Including:

- ensuring consistency between macroeconomic stability, economic growth goals and structural reforms;

- introduction of effective systems and mechanisms based on modern forecasting models for managing economic cycles caused by external and internal factors;
- the absence of a comprehensive system and coordinating state body, regulatory framework, criteria and evaluation methodology for the development and implementation of measures aimed at reducing poverty,
- due to the fact that the tasks of social support and involvement in entrepreneurship are not clearly separated, the effectiveness of the work carried out with the relevant population groups is low;
- lack of a clear approach and principles for socio-economic development of the regions;
- without ensuring interdependence between the regional and sectoral development of the economy and rational use of the existing potential and "relative advantage" criteria in the development of regions;
- taking into account human capital and demographic factors in the deployment of production forces;
- determining specific approaches to the development of small and medium-sized businesses in the country, systematizing financial and non-financial support for entrepreneurship;
- elimination of shortcomings in the evaluation of the effectiveness of the funds allocated from the programs;
- to increase labor productivity in the areas considered as the fundamental drivers of the country's industrial development;

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