



THE ROLE OF ECONOMIC GROWTH FACTORS IN ENSURING SUSTAINABLE GROWTH SUSTAINABILITY

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Annotation

The article examines the laws of development of the national economy, the concepts of economic development and economic growth, the work of scientists on the factors of economic growth, summarizes, as well as formulates scientific conclusions, proposals and recommendations to improve the quality of life.

Keywords: economic development, economic growth, living standards, welfare, direct and indirect, external and internal, extensive and intensive factors of economic growth, capital, investment, labor force.

Introduction

Any national economy develops unevenly and goes through various cycles of economic activity, such as difficulties. These changes related to the growth of overall macroeconomic indicators. Economic growth is associated with the recovery phase of the economic cycle, which means the advancement of the economy, its growth and development. Economic growth is a goal of macroeconomic policy. Achieving economic growth is a priority in any form of public economic policy (monetary, fiscal, investment) [1.6].

Economic growth also means an increase in aggregate supply, or in other words, an increase in real and potential gross domestic product. The study of the problem of economic growth will solve the problem of efficient use of limited resources, which faced by the real production system [2.185].

Fully understand economic growth, it is necessary to study the factors that cause it. Economic growth factors are generally divided into interrelated direct (supply factors) and indirect (demand and distribution factors), external and internal, extensive and intensive factors.

The supply factors of economic growth play a very important role in the economic development of any country.

Supply factors of economic growth include:

- Quantity and quality of natural resources;
- Increase the number and improve the quality of labor resources;





- Improvement of scientific equipment and technology and organization of production;
- Increase in the volume of fixed capital and improvement of the quality structure;
- Increasing the number and quality of those involved in the economy, the growth of entrepreneurial ability in society.

Natural resources are a comprehensive analysis of the country's underground and surface resources and their quality. These resources divided into two groups: non-renewable resources (subsoil resources); renewable resources (resources that can be recovered using the human factor).

In the study of the economies of Japan and other similar developed countries, we can observe that the share of natural resources in achieving economic growth relatively small compared to other factors. In the process of analyzing the composition of exports and imports of products from many developing countries, we see that they import raw materials and export finished products. In less developed and developing countries, the opposite is true. From this, it concluded that the share of natural resources in economic growth is lower than the rest. However, using the rest of the above factors it is advisable for developing countries to direct their natural resources to domestic consumption and exports by processing them in the country and turning them into finished products without exporting them. In this case, the volume of import-substituting products in the country will increase, unemployment will decrease and eventually economic growth observed. In addition to the available resources, we can cite the Chinese economy, which imports natural resources, produces products and sells them.

Human resources are the most important factor in ensuring economic growth. Human potential is the most active, the most creative factor that can ensure the continuous socio-economic development of the country.

In today's market economy, the most important issue facing today's economic policy is the continuous strengthening of the potential of the labor force, the implementation of the problems of its effective use. First, special attention is paid to the quality of the labor force, such as general education and vocational training of the able-bodied population, the level of knowledge in the field of science, health, living standards.

Advances in science and technology are an important factor in ensuring labor productivity and economic growth. Technological advances include not only completely new methods of production, but also new forms of management and organization of production. In general, the development of science and technology means the discovery of new ways to increase the production of the final product, which requires a new combination of existing resources.





We can see capital as a lever in economic development and growth. It can have a very strong influence on other factors and can have an unprecedented impact on increasing efficiency. For example, the capitalization of science and technology will lead to the creation of new machines and equipment, developments, projects, and the additional funds allocated for their implementation will pay off three to four times. Capitalization of labor resources is also an important tool for increasing labor productivity. It is understood that the simplest indicator of the quality of the workforce is the level of education. That is why the training of highly qualified personnel and constant investment in them should be an integral part of public economic policy.

Demand and distribution factors of economic growth include:

- **Public consumption:** consists of the sum of the expenditures of the state on the purchase of goods and services, as well as the expenditure of wages on government and it represents the demand of the public sector. These costs do not include transfer fees.

- **Personal consumption:** is the sum of the costs incurred by the population for the purchase of goods and services, because of which the demand of the private sector is determined.

- **Investments;** is the sum of national and foreign investment expenditures, which represents the demand of enterprises.

- **Net exports:** is determined based on the difference between exports and imports, and this factor represents foreign demand [3.12];

- Reducing the level of market monopoly;

- Decrease in the cost of production resources;

- Reduction of income tax;

- Expanding access to credit;

- The actual composition of the distribution of production resources;

- Procedure for income distribution.

External factors of economic growth include the situation on world markets; credit and investment rating of the national economy; participation of the country in the process of international economic integration; the country's participation in the international division of labor; the level of openness of the national economy; external debt ratio.

Internal factors of economic growth: condition of fixed assets; competitiveness of industrial products; resource intensity and product cost; capitalization of companies; the level of development of the financial system; income distribution structure; bureaucratic burden on business.





Extensive factors of economic growth: increase in investment while maintaining the current level of technology; increase in the number of employed workers; increase in the amount of raw materials, consumables, fuel and similar working capital consumed.

Intensive factors of economic growth: acceleration of scientific and technological progress (through the introduction of new equipment, technology, renewal of fixed assets, etc.); staff development; improving the use of fixed and working capital; modern infrastructure; increase the efficiency of economic activity through good organization.

In our opinion, in addition to all the above factors, the social sphere considered as one of the factors contributing to the socio-economic development of the country.

The standard of living of the population not measured only by the increase in its income, the adequacy of quality consumer goods. Perhaps, spirituality and enlightenment, cultural need, quality service in various forms, meaningful use of free time include many quality indicators such as physical and mental maturity, without which the high standard of living unattainable [4.65].

The experience of developed European and Asian economies shows that achieving a high standard of living depends not only on the development of material production, but also on the large-scale growth of the social sphere, ie the service sector.

The development of the market of services – medicine, education, culture, utilities, insurance, banking, household, retail, communications and other institutions – will meet the needs of the social sphere in a market economy. This is because the activities of these sectors are a key factor in fulfilling the duties of the population in society and achieving high productivity in the workplace.

There are also factors such as geographical location and climatic conditions that make a significant contribution to a country's economic growth. It noted that from the geographical point of view, Uzbekistan is one of the two countries in the world that does not have direct access to the open sea and has to cross the territory of at least two countries to access the world's oceans. Reasonable During the years of independence, measures have been taken to reduce the overhead costs caused by this shortcoming, and the transport structure of Uzbekistan has been improved, and the most optimal and reliable routes to the world's oceans have been found.

In the next decade, there was talk of a positive solution to climate problems and the transmission of nature to the next generation. From the UN's warning that global warming will remain catastrophic even with current plans to reduce emissions, we can see that the planet's climate and nature are already in a deplorable state. Therefore,





in order to achieve economic growth, it is necessary to maintain environmental sustainability based on the principles of the green economy.

Western economists Buagilber P., Jevons U., Clark J., Petty U., Ricardo D., Sey J., Smith A., Tunen I.G. etc. [5.720] believe that labor and material production underlie economic growth. Economists such as Domar E., Kaldor N., Harrod R., [6,656] have studied economic growth based on investment and savings factors. Scientists such as Kyudland F., Prescott E., and Shumpeter Y. have studied long-term economic growth and economic cycles in their research based on technical advances and the factors that stimulate it. [7.298] Modern growth theory scholars such as Denison E., Jones Ch., Lucas R., Romer P., Solow R., Stiglis J. [8.200] have investigated economic growth in the human factor and fixed capital in their research. In the introduction and development of technical progress. However, the issues addressed in the work of Western economists are specific to the economies of developed countries, with little emphasis on the characteristics of the economies of developing countries. In addition, while Western scholars have advocated for investment in the economy, little attention paid to its distribution across national and foreign sectors and its share in economic growth.

The above research covers the share of small business in GDP, the share of employment, exports and its composition, the role of a number of efficiency aspects of the industry in quality assurance, sources of capital investment, foreign and domestic investment, capital intensity, and return on investment. Labor little attention is paid to productivity, capital capacity of economic growth and the share of labor, as these resources are important factors for economic growth and its quality in our country.

The experience of developed countries shows that an important aspect of economic growth is its quality, and the driving force is innovation. In addition, modern theoretical approaches show that the main driving force of economic growth is technological development. In turn, education, science and high technology are the source of economic growth, prosperity and development of the state [9.34].

Therefore, the key to increasing the efficiency of economic growth is investment. Because structural changes take place because of the growth of fixed capital, the accumulation of human capital, the joint use of technological advances. In addition, they based on financial resources. This process done on an investment basis. Today, it is necessary to expand foreign investment in the economy in order to accelerate the development of technology in our country, the introduction of new technologies in the economy and the provision of the human factor with modern skills. They, in turn, lead to an increase in labor productivity and the duration of sustainable growth and its





socialization, resulting in the formation of a resource-saving system to ensure sustainable growth.

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