

## **SOCIO-ECONOMIC DEVELOPMENT OF UZBEKISTAN IN THE POST-PANDEMIC PERIOD**

Karimov Diyor Mukhtarovich,  
Candidate of Economic Sciences, Associate Professor  
of the Department of Economic Theory, NUU

Sultanova Lola Sharapovna,  
Candidate of Economic Sciences,  
Associate Professor of the Department of Macroeconomics NUU

### **Abstract**

Quarantine restrictions have made significant adjustments to the implementation of the plans for the socio-economic development of Uzbekistan, from which the economies of almost all countries of the world have suffered. In the context of the exit from the pandemic, the economy of Uzbekistan began to gradually return to its previous level. In this regard, it is important to continue the implementation of reforms aimed at increasing the competitiveness of the economy.

**Keywords:** Uzbekistan, economy, pandemic, consequences, reforms.

In Uzbekistan, since 2017, the processes of deep transformation, reform and liberalization of political and socio-economic life, democratic renewal and modernization of society have been developing at an accelerated pace at a new stage. They began with a comprehensive study of current issues of concern to the population and entrepreneurs, analysis of legislation, law enforcement practices and best foreign experience.

The developed action plan included such aspects as improving state and social construction, ensuring the rule of law and reforming the judicial and legal system, developing and liberalizing the economy, improving the social sphere, as well as ensuring security, interethnic harmony and religious tolerance, and implementing a balanced, mutually beneficial and constructive foreign policy [1].

Quarantine restrictions, which affected the economies of almost all countries of the world, have made significant adjustments to the implementation of Uzbekistan's plans. Indeed, the pandemic has had a negative impact on the development of

Uzbekistan's economy, but thanks to the rapid measures taken to support it, it has suffered less than the economies of most countries in the world.

Before the coronavirus pandemic, Uzbekistan's economy developed at a steady pace. For example, in 2020, Uzbekistan's GDP increased by 5.6 percent. In the first quarter of 2021, the economy grew by 2.1 percent. But as a result of strict isolation measures due to the coronavirus pandemic in order to contain the spread of infection, GDP growth was only 2.6 percent by the end of 2021, while inflation was 11.1 percent.

The active phase of banking sector reforms, launched in 2020, is aimed at liberalizing the foreign exchange market, removing outdated restrictions in banking activities and freeing banks from uncharacteristic functions, and expanding the availability of banking services. A presidential decree "On the Strategy for reforming the banking system of the Republic of Uzbekistan for 2020-2025" was adopted, the goal of which is to enter international ratings on the quality of the sector's work by 2025 [2].

Special attention was paid to supporting and stimulating the expansion of small businesses and private entrepreneurship, which play a significant role in ensuring the country's economic development, creating jobs, solving employment problems, increasing incomes and well-being of the population. In 2021, the share of small businesses and private entrepreneurship in Uzbekistan's GDP was 53.9 percent (for comparison: in Japan-55 percent, Germany - 54, the United States-52, Kazakhstan-25.6, Russia-20).

Over the years of independence, we have established strong foreign economic relations with almost 140 countries. These include the Russian Federation, China, Kazakhstan, the Republic of Korea, Turkey and a number of European countries. The development of the transport system creates the necessary conditions for the formation of foreign trade relations in new geographical directions. It is obvious that all of them also suffered from the introduction of quarantine measures of a restrictive nature.

Noteworthy was the level of development of the country's tourism sector, which was considered one of the locomotives of the economy before the coronavirus pandemic. Thus, in 2021, tourism in Uzbekistan reached the highest rates in its history. According to the UN World Tourism Organization, our country is among the top five countries with the most dynamically developing tourism industry [3]. COVID-19 also slowed down the rise of the sphere, as well as others.

2020 was the year of large-scale spread of the COVID-19 virus, which was the most serious challenge of the year, the consequences of which will have a serious negative impact in the medium term. The first patient infected with the virus was officially registered in March 2020 in Tashkent [4], which led the Uzbek government to announce the closure of its borders on the same day to avoid further spread of the virus. The government took measures to resolve the situation: announced holidays for all students and non-working days until May 10, canceled mass events, suspended movement around the country, closed public places, imposed strict restrictions on

movement, if absolutely necessary, you can only visit retail facilities (to purchase food, medicines and medical devices.) or medical institutions [4]. To solve the problems of the domestic economy of Uzbekistan, the government took emergency measures, in particular, announced tax holidays, funds were allocated from the Anti-Crisis Fund to support the social sphere, small and medium-sized businesses.

As the country emerged from the pandemic, the economy of Uzbekistan began to gradually return to its previous level. Thus, the growth rate of consumer goods production in the first quarter of 2021 compared to the corresponding period in 2020 was 102.7%. The largest growth in consumer goods production was recorded in Jizzakh (125.5% compared to the corresponding period in 2020), Bukhara (123.5%), Samarkand (120.3%), Syrdarya (117.1%) regions and Tashkent (120.5%). The volume of agricultural, forest and fish production in the first quarter of 2021 increased by 103.1% compared to the corresponding period in 2020. The growth rate of vegetable production was 101.7%, meat-103.5%, milk-102.6%, eggs-100.2%, karakul skins-101.0%.

The decline in centralized investment during the pandemic period was caused, on the one hand, by a higher social burden on the budget, and, on the other, by restrictions on attracting foreign loans under state guarantees, which in principle leads to an improvement in the investment structure, since the growth of non-centralized investments indicates an increase in investment activity of businesses and the population, as well as for foreign investors, who seem to have already positively assessed the resilience of the Uzbek economy to the crisis.

Regarding the income of the population, we can say that in the first quarter of 2021, there was a significant increase in wages. The average monthly salary of employees of industrial enterprises (excluding small businesses) in January-March 2021 compared to the same period in 2020, increased by 3.9%, in construction-by 17.6%, in trade-by 13.7%, in the information and communications sector-by 16.0%, in the financial and insurance sector economic activity increased by 19.4%, education - by 7.5%, healthcare and social services - by 13.1%.

There was also an increase in the volume of cross-border transfers received in Uzbekistan, which amounted to \$ 1.42 billion, an increase of 31% compared to the same period last year. As a result, the positive balance on cross-border transfers was formed at the level of \$ 1.06 billion [5].

The growth of household incomes due to rising wages and remittances, as well as the growth of investment volumes due to non-centralized sources and allocated loans, have become factors supporting aggregate demand in the economy, which is one of the most important stimuli for economic growth in the context of its recovery.

Today, we can say with full confidence that the global coronavirus crisis has been overcome and the world has entered a new phase of its development [5]. Much is already changing in the post-quarantine world, and the political, economic and social

spheres are taking on a new shape, including due to the additional impact of the worsening situation around Ukraine. In such an environment, the pace of recovery and stabilization of the state will depend on the correct decisions of the Government of Uzbekistan, as well as the citizens of the country.

The state should take into account the need to deepen the country's involvement in international trade, increase turnover in the field of high technologies, attract foreign investment, support small and medium-sized businesses, and properly allocate its resources. The effect of the ongoing efforts on the part of the government will largely depend on the readiness of the republic's citizens to adopt a new way of life and adapt to more technological rails.

The potential of Uzbekistan's agriculture can play an important role here. Due to the aggravation of the issue of food supply in many countries, agriculture has now become one of the most promising sectors of the economy, which can allow Uzbekistan to stabilize the domestic market, reduce unemployment, as well as enter new export markets and become a stronger country in economic terms after the end of the global crisis.

In conclusion, we note that the main socio-economic indicators of Uzbekistan show that the country's economy is once again entering the trajectory of economic growth, improving its structural positions. In this regard, it is important to continue implementing reforms aimed at improving the competitiveness of the economy.

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