

УДК 336.24

JEL Classification: M42, O23

RASULEV A.¹, VORONIN S.²

FORMATION OF EFFECTIVE SYSTEM OF ECONOMIC MANAGEMENT IS THE VECTOR OF MODERN REFORMS IN UZBEKISTAN

DOI: 10.32620/cher.2020.4.07

Formulation of the problem. The use of an effective economic management system allows you to create favorable conditions for achieving long-term economic growth at minimal costs. *The purpose of the study* is to study foreign experience of economic management reform, review the course of administrative reform in the Republic of Uzbekistan and, on the basis of available data, develop recommendations for the national economy. *The subject of this research* is the development of the management system of the national economy in the context of the transition to full-fledged market relations. *Methods of economic research* - system analysis, generalization, scientific abstraction, historical and logical method, classification, etc. *The hypothesis of the research* is that currently the main vector of reforms in Uzbekistan is optimization and increasing the efficiency of the economic management system. The use of market and administrative instruments will improve the quality parameters of economic development, create conditions for increasing the competitiveness of the economy. *Presentation of the main material.* The main features of the management reform in various countries of the world are revealed, an analysis of the reform of the national economy management system is made, recommendations for the transition to a full-fledged market are substantiated. *The originality and practical significance* of the study is that it systematizes the main approaches to the reform of economic management, studies the features of management reform in the Republic of Uzbekistan, substantiates recommendations for increasing its efficiency in the period of overcoming the consequences of forced restrictions and for the future. The conclusions of the study are that “market mechanisms” are just one of many necessary tools to achieve the goals of the country's socio-economic development. Therefore, it is necessary to clearly “outline the boundaries” in which areas the state should introduce market relations, in which to regulate activities and in which - to produce or provide services. When developing a new system of economic management, it is necessary to include tasks for both the development of market institutions and administrative procedures. When carrying out the privatization of enterprises engaged in the extraction of minerals and their primary processing, the controlling stake must be retained by the state. *The main resource* of the country is the accumulated human potential, which requires special attention from the state during the reform process. The new economic management system must be ready to respond promptly to internal and external challenges.

Key words:

government support; budget resources, institutional factors, market, transformation.

ФОРМУВАННЯ ЕФЕКТИВНОЇ СИСТЕМИ УПРАВЛІННЯ ЕКОНОМІКОЮ - ВЕКТОР СУЧАСНИХ РЕФОРМ В УЗБЕКІСТАНІ

Постановка проблеми. Використання ефективної системи управління економікою дозволяє створити сприятливі умови для досягнення довгострокового економічного зростання при мінімальних витратах. *Мета дослідження* полягає в тому, щоб вивчити зарубіжний досвід реформи управління економікою, розглянути хід адміністративної реформи в Республіці Узбекистан і на основі наявних даних розробити рекомендації для національної економіки. *Предметом дослідження* є роз-

¹ **Расулев Алишер Файзійович**, д-р екон. наук, професор кафедри «Фундаментальна економіка», Ташкентський державний економічний університет, м.Ташкент, Узбекистан.

Rasulev Alisher, Doctor of Economic Sciences, Professor, Professor of Fundamental Economic Department, Tashkent State Economic University, Tashkent, Uzbekistan.

ORCID ID: 0000-0001-6702-8981

e-mail: arasulev@yandex.ru

² **Воронін Сергій Олександрович**, д-р екон. наук, головний фахівець, Інститут бюджетно-податкових досліджень при Міністерстві фінансів, м.Ташкент, Узбекистан.

Voronin Sergey, Doctor of Economic Sciences, Chief Specialist of the Institute for Fiscal Research under the Ministry of Finance, Tashkent, Uzbekistan.

ORCID ID: 0000-0003-2288-8365

e-mail: s.voronin63@umail.uz





виток системи управління національної економіки в умовах переходу до повноцінних ринкових відносин. *Методи економічного дослідження* - системний аналіз, узагальнення, наукова абстракція, історичний і логічний метод, класифікація та ін. *Гіпотеза дослідження* полягає в тому, що в даний час основним вектором реформ в Узбекистані є оптимізація та підвищення ефективності системи управління економікою. Використання ринкових і адміністративних інструментів дозволить підвищити якісні параметри економічного розвитку, створити умови для підвищення конкурентоспроможності економіки. *Виклад основного матеріалу.* Виявлено основні особливості проведення реформи управління в різних країнах світу, зроблено аналіз реформування системи управління національною економікою, обґрунтовано рекомендації щодо переходу до повноцінного ринку. *Оригінальність і практичне значення* проведеного дослідження полягає в тому, що в ньому систематизовано основні підходи до проведення реформи управління економікою, вивчені особливості реформи управління в Республіці Узбекистан, обґрунтовано рекомендації щодо підвищення її ефективності в умовах періоду подолання наслідків вимушених обмежень і на перспективу. *Висновки дослідження* полягають у тому, що «ринкові механізми» - це лише один з багатьох необхідних інструментів для досягнення цілей соціально-економічного розвитку країни. Тому необхідно чітко «окреслити межі», в яких сферах держава повинна вводити ринкові відносини, в яких регулювати діяльність і в яких - самому виробляти або надавати послуги. При розробці нової системи управління економікою необхідно включити завдання, як з розвитку ринкових інститутів, так і адміністративних процедур. При проведенні приватизації підприємств, що займаються видобутком корисних копалин і їх первинною переробкою, контрольний пакет акцій повинен бути збережений за державою. Головним ресурсом країни є накопичений людський потенціал, який вимагає при проведенні реформи особливої уваги з боку держави. Нова система управління економікою повинна бути готова оперативно реагувати на внутрішні і зовнішні виклики.

Ключові слова:

державна підтримка, бюджетні кошти, інституційні чинники, ринок, трансформація.

**ФОРМИРОВАНИЕ ЭФФЕКТИВНОЙ СИСТЕМЫ УПРАВЛЕНИЯ ЭКОНОМИКОЙ –
ВЕКТОР СОВРЕМЕННЫХ РЕФОРМ В УЗБЕКИСТАНЕ**

Постановка проблемы. Использование эффективной системы управления экономикой позволяет создать благоприятные условия для достижения долгосрочного экономического роста при минимальных издержках. *Цель исследования* состоит в том, чтобы изучить зарубежный опыт реформы управления экономикой, рассмотреть ход административной реформы в Республике Узбекистан и на основе имеющихся данных разработать рекомендации для национальной экономики. *Предметом исследования* является развитие системы управления национальной экономики в условиях перехода к полноценным рыночным отношениям. *Методы экономического исследования* – системный анализ, обобщение, научная абстракция, исторический и логический метод, классификация и др. *Гипотеза исследования* состоит в том, что в настоящее время основным вектором реформ в Узбекистане является оптимизация и повышение эффективности системы управления экономикой. Использование рыночных и административных инструментов позволит повысить качественные параметры экономического развития, создать условия для повышения конкурентоспособности экономики. *Изложение основного материала.* Вывявлены основные особенности проведения реформы управления в различных странах мира, сделан анализ реформирования системы управления национальной экономикой, обоснованы рекомендации по переходу к полноценному рынку. *Оригинальность и практическое значение* проведенного исследования заключается в том, что в нем систематизированы основные подходы к проведению реформы управления экономикой, изучены особенности реформы управления в Республике Узбекистан, обоснованы рекомендации по повышению ее эффективности в условиях периода преодоления последствий вынужденных ограничений и на перспективу. *Выводы исследования* состоят в том, что «рыночные механизмы» - это лишь один из многих необходимых инструментов для достижения целей социально-экономического развития страны. Поэтому необходимо четко «очертить границы», в каких сферах государство должно вводить рыночные отношения, в каких регулировать деятельность и в каких – самому производить или оказывать услуги. При разработке новой системы управления экономикой необходимо включить задачи, как по развитию рыночных институтов, так и административных процедур. При проведении приватизации предприятий, занимающихся добычей полезных ископаемых и их первичной переработкой, контрольный пакет акций должен быть сохранен за государством. Главным ресурсом страны является накопленный человеческий потенциал, который требует при проведении реформы особого внимания со стороны государства. Новая система управления экономикой должна быть готова оперативно реагировать на

внутренние и внешние вызовы.

Ключевые слова:

государственная поддержка, бюджетные средства, институциональные факторы, рыночные механизмы, трансформация.

Formulation of the problem. Structural transformations in the economy of Uzbekistan require new methods for the system of economic management. First of all, there is a growing need to form a flexible system of economic management, providing for the reduction of state interference in the activities of economic entities. Poverty reduction and employment expansion are becoming an important area of economic development. Institutional factors are a key element of reforms in the economic management system. At the same time, it is important to develop not only economic management mechanisms, but also clear boundaries for the use of administrative tools should be fixed. Particular attention must be paid to the country's main resource - accumulated human capital.

To this end, deep structural reforms have been carried out in the economy of Uzbekistan in recent years. Their implementation requires new approaches to the functioning of the economic management system. According to the President of the Republic of Uzbekistan Shavkat Mirziyoyev, "... in today's difficult situation, it is vital for us to solve two important, extremely urgent tasks at once. We are simultaneously dealing with the solution of the problems of protecting the health and life of the population and the restoration of the economy, creating conditions for people to work and earn money ... ". In addition, in the context of tougher competition in world markets, the priority direction of economic development is the widespread introduction of the achievements of modern science and innovation.

The solution of these tasks, as well as the achievement of the goals of the Action Strategy in the five priority areas of development of the Republic of Uzbekistan in 2017-2021, require the creation of a new, well-functioning system of public administration, the organization of coordinated activities of government bodies and local executive authorities. The formation of a flexible system of economic management in the context of a gradual reduction in government intervention in the activities of enterprises will ensure a smooth transition of the country to full-fledged market relations. For these purposes, the Republic is developing a Concept for the Management of the National Economy.

In accordance with the Concept of Administrative Reform in the republic, the main tasks for the radical reform of the state management of the economy have been identified, which are gradually implemented in practice. The next steps towards improving the system of managing the national economy is the adoption of the Presidential Decree No. UP-5877 dated November 18, 2019, which provides for coordinated work by the Central Bank and the Cabinet of Ministers.

In recent years, the Republic adopted the Concept for Improving Tax Policy (June 2018) and the Tax Code in the new edition (from 1.01.2020), which created the basis for the formation of a new architecture of the national tax system, creating preconditions for increasing the efficiency of the state managing the country's economy and improving its economic security.

President of Uzbekistan Shavkat Mirziyoyev, speaking on January 24, 2020 with a message to the Oliy Majlis, noted that "... the creation of a comprehensively thought out and effective management system is a key condition for the implementation of our large-scale tasks ...". At the same time, he noted a number of urgent tasks in this area, in particular - further strengthening the role and responsibility of local executive and representative authorities in public administration; active participation of non-governmental non-profit organizations and other institutions of civil society in identifying problems of concern to citizens, as well as in their reasonable proposals.

In this speech, the Head of State announced 9 programmatic and target tasks for 2020 and subsequent years, including ensuring macroeconomic stability and curbing inflation, expanding the production of competitive products and increasing exports, developing the investment and banking sectors, developing industry, agriculture and tourism, further improvement of the business environment, integrated development of regions and acceleration of urbanization.

The above tasks are included in the Action Program of the new Cabinet of Ministers for the near and long term.

In the future, a number of other regulatory legal acts were adopted, in accordance with which the tasks of key regulators in the field of





investment, innovation, information and other policies were determined. Among them, the adoption of the Presidential Decree of March 26, 2020 № UP-5975 is of great importance for the system of economic management. At the new stage of reforms based on the principles of economic liberalization and widespread introduction of market mechanisms, the goal was set to "develop a specific and transparent mechanism for managing the economy, aimed at results."

Analysis of the latest research and publications. The analysis shows that a significant number of publications are devoted to the problems of reforming economic management, as well as the search for ways of transition to a full-fledged market economy. Among them, the most notable are the works of such economists as Asadov Kh. [7], Khakimov O. [10], Polterovich V. [13], Mukhitdinov Z. [15], Shenin S. [16], Huson, J. [17], Levinson, M. [18], Peterson, W. [19], Saul Estrin [20], Wacziarg and others.

A study of the provisions considered in the works of these authors shows that any reforms must proceed from specific goals and corresponding tasks of the country's socio-economic development.

When carrying out a reform of economic management, it is initially necessary to identify the basic principles and approaches that should ensure the formation of flexible market and administrative instruments. As a result of the reform of the system of economic management, government expenditures, which are financed from taxpayers' funds, should be significantly reduced.

The authors note in their writings that the main objectives of the management reform are to eliminate duplication of functions of ministries, departments, and other regulators. Some authors insist on conducting "shock" therapy and the simultaneous introduction of market rules (price liberalization, privatization of state assets). Other economists substantiate the need for a gradual liberalization of the economy, determine the successive links of the management reform.

At the same time, to date, no comprehensive approach has been developed in carrying out the reform of economic management, the role of "market mechanisms" and "administrative regulators" has not been assessed. It has not yet been determined in which sectors it is still advisable for the state to actively intervene in the economy, and in which

it is advisable to trust the action of market regulators. Also, insufficient attention is paid to the role of the main resource of the economy - human potential. There is still no common approach on how to improve the assessment of human potential in the context of economic management reform.

The purpose of the study is to study foreign experience of economic management reform, consider the course of administrative reform in the Republic of Uzbekistan and, based on the available material, develop recommendations for the national economy.

Presentation of the main research material. In 2020, significant changes were made to the priorities of economic development of Uzbekistan, as well as to the mechanisms and timing of the reform of economic management, which is associated with the negative impact on the economy of the coronavirus pandemic COVID-19. The introduction of forced restrictions led to the suspension of the activities of a large number of business entities, which led to a drop in GDP growth rates, affected an increase in unemployment and a decrease in household income.

So, in June of this year. The World Bank has lowered its forecast for Uzbekistan's GDP growth in 2020 from 1.6% to 1.5% (before the pandemic, the forecast was 5.5%). In general, in the countries of Europe and Central Asia, the economic recession is forecasted at the level of 4.7%, and in the world economy as a whole - 5.2%. This recession will be the deepest since the Second World War. In advanced economies, economic activity is expected to decline by 7%, in emerging market and developing countries - by 2.5%. The US economy is expected to contract by 6.1%, in the euro area - 9.1%, Japan - 6.1%.

Measures taken in Uzbekistan to limit the spread of coronavirus infection have avoided the worst scenarios observed in a number of other countries. So, at the end of 9 months of 2020, the country's GDP amounted to 408.3 trillion soums, demonstrating a real growth of 0.4% compared to the corresponding period of 2019. Although GDP growth slowed down, it retained positive dynamics. At the same time, industrial production declined over the same period by 2.7%, while consumer output increased by 2.3%, construction - by 8.6%, services - by 1.8%. Foreign trade turnover decreased by 12.0%, and the state budget deficit amounted to 7.7 trillion soums, or 1.9% of GDP.

Additional costs associated with the negative impact of COVID-19, forced restrictions and funding of government programs made it necessary to increase external borrowing.

At the same time, thanks to large-scale reforms in the economy, an increase in world prices for non-ferrous metals, the international foreign exchange reserves of Uzbekistan increased by almost 5.5 billion US dollars and currently amount to 34 billion US dollars. The build-up of foreign exchange reserves is a "safety cushion" for the country's further economic development.

In accordance with the Presidential Decree № UP-6098 of October 30, 2020, Uzbekistan has introduced measures to reduce the shadow economy and support business, which will operate from January 1, 2021, including:

Until January 1, 2022, the income of small businesses in the public catering sector received from individuals using bank cards and contactless payments will not be included in the total income for the purpose of the mandatory transition to the payment of generally established taxes;

construction companies are allowed to hire workers on an urgent basis without concluding an agreement, with payment in cash, the volume of which must not exceed 10 percent of the total wage bill for the reporting period (excluding the amount of social tax).

According to the Presidential Decree of October 27, № UP-6096 "On Measures to Accelerate Reform of Enterprises with State Participation and Privatization of State Assets", it is envisaged to radically reduce the participation of the state in the economy. The measures will affect more than 2,000 state assets, of which it is planned to put up for auction 479 enterprises and 15 real estate objects, prepare 62 enterprises for privatization, transform 32 enterprises and industries, and improve the activity of 507 markets. There will also be put up for auction 386 more objects specified in the previous acts and 559 objects, the implementation of which is authorized by local authorities.

The implementation of the above measures will undoubtedly affect the development of the national economy in 2021.

At the same time, the results of a study by the International Labor Organization (ILO) showed that the crisis phenomena caused by COVID-19 spread in the economy of Uzbekistan in 4 phases:

The first phase is a direct impact on the economy, which will lead to the halt of the 28 most vulnerable service sectors.

The second phase will begin with the completion of financial and commodity reserves of companies and enterprises.

The third phase will be expressed in negative effects due to the decline in exports in all sectors (except for agriculture and non-ferrous metals).

The fourth phase - the state budget will become a source of instability (reduction of revenues and reduction of funding for the education sector, public administration, social security).

ILO experts revealed that indirect measures to support entrepreneurship (guarantees and deferred payments) are not entirely adequate to the growing risks of small businesses. The mechanism for communicating state aid to addressees also needs to be adjusted. In the informal sector, despite the measures taken to expand the sphere of the self-employed, up to 1.1-1.5 million people may be unemployed, which will increase social risks. Therefore, the recently adopted measures do not solve the most important current problems and new approaches are required to solve them in the future.

Therefore, due to the high level of unemployment and the growth of poverty, the second most important direction of the country's economic development is currently becoming "poverty reduction and employment expansion". In order to solve this problem and implement other key areas of economic development, it is necessary to create a new, flexible, effective system of economic management and adapt it to action in the context of a gradual expansion of the sphere of market incentives and countering the spread of the coronavirus pandemic and other threats.

The current economic management system turned out to be not flexible enough to act in an extreme situation, since it required constant intervention from the state and the adoption of numerous support measures (administrative and economic). So, only for the period from March to June of this year. in the republic, 14 decrees of the President and resolutions of the head of state were adopted, aimed at mitigating the consequences of the pandemic on the standard of living of the population and the economy.

Forced restrictions were in effect from March 25 to August 15 of this year, and some measures were introduced and then canceled again. Some regulators did not cope at the proper





level with solving urgent problems, in particular, the Ministry of Health, the Ministry of Economic Development and Poverty Reduction, the Antimonopoly Committee and some other structures (line ministries, departments, committees, agencies, centers, commercial banks and others) from for duplication of functions and other reasons. More than 500 thousand business entities and over 8 million citizens of the country (in the amount of about 30 trillion soums) needed help from the state budget.

It should be noted that there are certain problems in the system of distribution and spending of budgetary funds. So, in the first half of 2020, the Department of State Financial Control of the Ministry of Finance carried out 2,584 control measures that revealed violations of budget discipline, a shortage of cash and material assets in the amount of 81.7 billion soums (of which 70% of funds were returned to the respective budgets).

A key factor in the formation of a new, flexible, effective system of economic management is the formation of a scientifically grounded Concept of economic management, taking into account the fundamental foundations and modern foreign experience accumulated in this area.

In order to develop an effective system of economic management, it is advisable to consider the institutional factors of market transformations and take into account their effect when carrying out further reforms.

President of Uzbekistan Shavkat Mirziyoyev, speaking on August 31 of this year noted that "the work that we have begun to liberalize all spheres, even deeper affirmation in life of the principles of freedom of speech and the press, openness and transparency, the establishment of effective public control over the activities of state authorities has become irreversible ...". However, this does not mean at all that in order to transition to a full-fledged market in Uzbekistan, in order to transition to a full-fledged market, it is necessary to implement the option of "shock therapy", which has negatively recommended itself back in the early 90s of the last century.

It is common knowledge that the overwhelming majority of countries with command and control economies have transformed into market economies. However, the results of this transformation process are mixed. In our opinion, the "market" is just one of the tools for achieving goals, which, using

mechanisms such as competition, free prices, openness, the institution of bankruptcy and other levers, really allows to intensify the growth of production, economic and investment activities of economic entities.

At the same time, the market also has obvious "failures" in the form of social inequality, expansion of poverty, the spread of fraud, uneven development of territories, consumer attitude to the environment, excessive selfishness in behavior, etc.), which must be mitigated by appropriate measures.

The works of many domestic and foreign economists are devoted to the study of various approaches to the transition to a market economy.

Conducting a full-fledged market reform means transforming the entire economic system of the country. Thus, the liberalization of foreign trade and the liberalization of the domestic market are two different reforms that, when completed, reinforce the positive effects of each other. However, it cannot be concluded from this that both reforms should be carried out simultaneously: being positively complementary in statics, they can be negatively complementary in dynamics. It is impossible to carry out a reform of foreign trade before the liberalization of the domestic market (Polterovich, 2010).

In the process of transition to a market economy, it is advisable for the government to "fully control the situation with price liberalization, the provision of social protection and the creation of social capital ...". Removing price controls should coincide with eliminating existing imbalances. At the same time, state-regulated prices limit the abuse of power by monopolies.

In the Russian Federation, during the shock liberalization of prices, despite the obvious negative consequences, the reformers did not timely make adjustments to the mechanisms used, which led to the default of the national economy in 1998. As a result, the implementation of these measures led to a decrease in the level of the country's economic security.

The privatization program should also cover a relatively long period of time during which state ownership must find the most effective property manager.

The results of a number of studies of the activities of privatized and state-owned enterprises in transition economies have shown that "... privatization in itself does not guarantee improved performance, at least in the short and

medium term” ... “the effect of privatization of enterprises by domestic owners ... was positive in countries of Eastern Europe; it was zero or even negative in Russia and other CIS countries.

In a transitional economy, stimulating investment growth is much more effective than raising consumption, since investment has a direct impact on aggregate supply and indirectly on consumption.

The level of effective demand must ensure maximum supply match, since aggregate demand creates aggregate supply. In this regard, it becomes necessary to regulate demand through tax instruments.

The increase in trade openness leads to an increase in economic growth, on average by 1.5 percentage points. Following the implementation of trade liberalization in Brazil in the early 1990s, as expected, many businesses have modernized. Most of the gains in efficiency have come from moving within their own industry. As a result, many of the citizens who lost their jobs were not re-hired, and as a result, the number of chronically unemployed people working in the informal economy increased.

In the context of phased market reforms, it is necessary to create conditions for clear, functional coordination of the activities of key government ministries, departments, agencies and other structures. At the same time, it is necessary to exclude duplication of functions and to entrust each structure with certain tasks at the appropriate stage of development. The solution of these tasks will significantly reduce the state budget expenditures for financing ministries and departments, and the released funds can be used to modernize the industry. This will create favorable conditions for the use of market mechanisms, which will increase the level of economic security of the country as a whole.

In order to create an optimal structure for managing the economy, it is necessary to solve not only local, but also systemic issues, among which (Asadov Kh., 2020): introduction of a system for assessing the effectiveness of the activities of local management structures; in-depth analysis of functional responsibilities, areas of responsibility of each subject of management; search for new methods of managing healthcare, education, social protection, taking into account the problems identified during the coronavirus pandemic; the quality of the staff of government bodies.

According to experts, almost all successful reforms are organized according to a general scheme, following the strategy of creating intermediate institutions. A new understanding of reform follows from the experience of the 1990s: reform is not a one-step act, but the building of a sequence of intermediate institutions in a suitable institutional space.

If we consider the effectiveness of the models of transition to the market of post-Soviet countries and their further functioning for the period 1995-2019, we can see that the largest growth in GDP per capita (in US dollars in nominal terms) takes place in the PRC (in 16, 8 times), Azerbaijan (12.1 times), Armenia (10.1 times), Vietnam (9.8 times), Lithuania (9.0 times), and the lowest growth is in the Republic of Belarus (4 , 9 times), Russia (4.3 times), Poland (4.2 times), Tajikistan (4.1 times), Kyrgyzstan (3.6 times), Uzbekistan (2.9 times). Among these countries, there are those that used both the “shock therapy” model (Lithuania, Poland, Russia, Ukraine) and the concept of “gradual transition to a market economy” (China, Kazakhstan, Belarus, Uzbekistan).

Conclusions and prospects for further research. Analysis of foreign experience shows that the best development is achieved by countries that used mainly market mechanisms for regulating the economy. However, the “market” is only one of many necessary instruments to achieve the goals of the country's socio-economic development, which must be used on a systematic basis.

Therefore, it is necessary to clearly "outline the boundaries" in which areas the state should introduce market relations, in which to regulate activities and in which - to produce or provide services.

When developing a new system of economic management, it is necessary to include tasks for the development of market institutions and administrative procedures. The parallel use of administrative levers will ensure an adequate transition to a full-fledged market economy. This helps mitigate social consequences and maintain stability in society. First of all, this concerns the spread of free prices, the privatization of state-owned enterprises, the liberalization of foreign trade activities, the use of subsidies to support low-profit areas of activity (especially in the context of a worsening epidemiological situation and forced restrictions).





In the field of privatization of state assets, it is advisable to adhere to the following principles:

- during the privatization of enterprises engaged in the extraction of minerals and their primary processing, the controlling stake should be retained by the state. This is to ensure the control of society over the rational use of natural resources, the environmental situation in the area of operation of the enterprise, collection and receipt of rent payments to the state budget. This principle should also be used in the privatization of strategic and vital facilities, as well as industries, the operation of which can lead to negative consequences for humans and the environment (for example, the production of fuels and lubricants, chemical and other hazardous products);

- during the privatization of other enterprises and facilities that produce intermediate and final consumption products, it is possible to sell the entire property to the investor, but taking into account the openness and competitiveness of tenders (auctions), which should be carried out according to a methodology that has proven its effectiveness in other countries for the state budget, taxpayers, and investor. The buyer of state property must improve the production and financial condition of the enterprise, expand the production of products, improve their quality and, on this basis, increase employment and incomes of industrial and production personnel;

- significant improvement of management at enterprises with a state share in the authorized capital. The experience of China, France and some other countries shows that the state can also be an effective owner in the case of introducing elementary rules of publicity (corporate governance), reporting and control over the activities of state-owned enterprises. The Counting Commission, the Control and Auditing Department, as well as other government agencies, must take care of using effective, modern methods of managing state assets.

In a transitional economy, the budget deficit should be adjusted depending on the situation in the country and in the world. In these conditions, the policy of "public procurement", support for business and vulnerable groups of the population, and environmental protection are of great importance. The need to expand the government's maneuver is of great importance in the face of internal and external shocks (natural

and man-made disasters, negative consequences from climate change, the impact of the coronavirus pandemic and the action of other unfavorable other factors).

Currently, the importance of forming a single land-water-plant-air resource fund on the basis of the existing Fund for Reconstruction and Development is increasing, the funds of which should be used in order to increase the efficiency of the use of basic life-supporting natural resources, protect the environment and mitigate the consequences of climate change, creating conditions for the transition to renewable, safe and environmentally friendly sources of raw materials and energy resources.

The main resource of the country is the accumulated human potential, which requires special attention from the state. At a new stage in the country's development in the context of a transition to a full-fledged market, it is necessary to create a modern system for the reproduction of human potential, providing:

- creating conditions for maximum employment of citizens in the commercial sphere of the economy, ensuring a decent level of wages (material incentives), regardless of the form of ownership of the economic entity;

- ensuring a high level of labor protection, social insurance and security, creating opportunities for career growth and advanced training for employees in the real sector of the economy;

- reduction of shadow employment in the commercial sector through the introduction of a socially significant insurance package for employed workers (compulsory medical insurance, insurance in case of temporary and permanent disability, retirement benefits in old age, labor protection, benefits in case of job loss, return of part of personal income tax for workers of certain professions, creating opportunities for advanced training);

- optimization of the system of wages and remuneration in the field of state financing, taking into account the strengthening of the effect of the social insurance package of employed workers, strengthening of incentives for high-quality work;

- cardinal improvement of the social protection system for the most vulnerable segments of the population as part of the implementation of the poverty reduction program (support for families with minor children, pensioners, disabled people, the unemployed and other low-paid groups of the

population on the basis of increasing the level of targeted assistance provided.

As a result of economic and social reforms, all citizens of the country should have access to an appropriate set of basic consumer values (the level of access and the range of services should expand as the productivity of social production, GDP growth, state budget revenues, legal entities and individuals increase).

It is necessary to gradually reduce the excessive gaps in the level of incomes of workers in agriculture and its servicing industries, between the level of consumer prices and wages, and between the incomes (potential) of individual regions of the country. The use of this approach will allow consolidating the efforts of all sectors of society to address priority tasks and overcome growing challenges.

In this regard, it is necessary in the near future to widely use the dynamics of indicators such as the “Gini coefficient” (income inequality index), an increase in the availability of basic goods for the population (at the initial stage, goods and services included in the into a full-fledged “consumer basket”), the ratio of the value exchange between agricultural products and the branches serving it (for basic goods and services) and other important indicators. Solving this problem will ensure social stability in society and, at the same time, increase the level of economic security in the country.

The transition to a full-scale market economy in Uzbekistan should continue to be carried out in stages as appropriate conditions are created (if conditions are not created or worsened, then government regulation instruments should be reintroduced in the relevant areas). At the same time, it is necessary to clearly define in which areas full-fledged market levers are introduced, and in which areas - state regulation remains (or is reintroduced) and the activities of individual structures (city-forming, natural monopoly entities, monopoly enterprises and other entities) are monitored.

In order to create favorable conditions for ensuring the effective transition of the republic to the widespread use of market instruments, it is necessary to adhere to the following principles: phasing in price liberalization and property privatization; discretionary and balanced nature of monetary policy; flexible stimulating fiscal policy; efficient financial system; gradual liberalization of international trade; indicative planning and forecasting of economic development; the need for clear coordination of

the activities of state bodies; borrowing advanced ideas from the experience of reforms in other countries.

In order to reduce errors in the implementation of economic management reform, it is advisable to announce a republican competition for the development of "basic approaches, principles and mechanisms" of this crucial process (goal, objectives, implementation mechanisms, stages and timing of their implementation, forecasts of consequences with indication of risks, executing structures) with the involvement of renowned scientists and leading research teams (specialists from research institutes, centers, universities, independent scientists). Transparency, alternativeness and responsibility (the authors of the ideas must be known) in the preparation of the Concept for the reform of economic management will make it possible to formulate such a document, the instruments of which will work successfully for many decades without significant changes.

Another methodological approach is also possible, which is now being implemented in the republic. The Ministry of Economic Development and Poverty Reduction is preparing a draft Concept for improving the system of economic management on the basis of proposals from ministries, departments and other interested structures, which is submitted for wide discussion in scientific and business circles.

After that, the draft Concept is finalized and sent for consideration to the Government, and then to the Parliament of the Republic of Uzbekistan. After amendments are made and approved by the Legislative Chamber and the Senate of the Oliy Majlis, the finished document is approved by the President of the Republic of Uzbekistan and put into effect throughout the republic (its individual parts can be introduced in stages, as necessary conditions are created).

The proposed approaches to the formation of a new system of economic management in the context of expanding the scope of market incentives will contribute to the formation of a business environment that ensures an increase in the competitiveness of the economy, an increase in the level of welfare of citizens, a gradual transition of the country to a “knowledge economy” (“green economy”, “smart economy”) , the growth of economic security and the achievement of the planned long-term sustainable development goals until 2030.

The new system of economic management should be ready to promptly respond to internal





and external challenges, such as the spread of epidemics and the introduction of forced restrictions, increased competition based on the imposition of sanctions, the occurrence of man-made and natural disasters and other negative processes. The main object of protection from individual “failures” of the market and other possible negative phenomena should remain human potential and, especially, the most vulnerable segments of the population. It is advisable to consider these problems in more detail in subsequent studies, which will allow avoiding many mistakes in the implementation of the reform of the national economy management.

References

1. On measures for the accelerated reform of enterprises with the participation of the state and the privatization of state assets. Decree of the President of the Republic of Uzbekistan dated October 20, 2020 No. UP-6096. Retrieved from: <https://www.lex.uz/docs/>
2. On measures for cardinal renewal of state policy in the sphere of economic development and poverty reduction. Decree of the President of the Republic of Uzbekistan dated March 26, 2020 No. UP-5975. Retrieved from: <https://www.lex.uz/docs/4778531>
3. On improving monetary policy with a gradual transition to inflation targeting. Presidential Decree № 5877 dated November 18, 2019. Retrieved from: <https://lex.uz/docs/4600826>
4. On approval of the Concept of administrative reform in the Republic of Uzbekistan. Decree of the President of September 8, 2017 № UP-5185. Retrieved from: <https://www.lex.uz/acts/3331176>
5. Mirziyoyev Sh. Speech by the President of the Republic of Uzbekistan at the meeting dedicated to the 29th anniversary of Uzbekistan's independence. Retrieved from: <https://president.uz/ru/lists/view/3824>. (Date of treatment 09/01/2020)
6. Asadov H. How to make the government effective? Retrieved from: <https://repost.uz/government> (Date of treatment 08/15/2020)
7. The World Bank lowered its forecast for GDP growth in Uzbekistan. Retrieved from: <https://www.gazeta.uz/ru/2020/06/09/outlook/>
8. Ignatova, T. (2003). The relationship between the state policy of sustainable development and taxation. Rostov-on-Don.
9. How does Uzbekistan fight against pandemics? Interview with Director of CEIR O. Khakimov. Retrieved from: <https://review.uz/ru/post/kak-uzbekistan-boretsya-s-pandemiyey> (Date of access 14.07.2020)
10. The Ministry of Finance reported on the growth of budget spending. Education suffered the most. Retrieved from: <https://telegra.ph/informaciya-o-kontrolnyh-meropriyatiyah-provedennyh-Departamentom-gosudarstvennogo-finansovogo-kontrolya-v-1-m-polugodii-2020-go-07-16> (Date of treatment 08.06.2020)
11. The ILO assessed the impact of COVID-19 on the socio-economic situation in Uzbekistan. Retrieved from: <https://www.gazeta.uz/ru/2020/08/20/survey/> (Date of treatment 08.01.2020)
12. Polterovich, V. Lessons from the reforms of the 1990s. Retrieved from: <https://iq.hse.ru/news/177672764.html>
13. Action program of the Government of the Republic of Uzbekistan. 01/21/2020 Retrieved from: <https://www.gazeta.uz/ru/2020/01/23/aripov-program/>
14. Rasulev, A., Voronin, S. and Mukhitdinov, Z. (2020). *Modernization of the tax system of the Republic of Uzbekistan*. Moscow: Society and Economy, 6, 53–63.
15. Shenin, S. (2008). Harvard's Russian Project: From Triumph to Shame. *Saratov University Bulletin*. T. 8. Ser. History. International relationships.
16. Hudson, J. A. (1999). Generalized Theory of Output Determination. *Journal of Post Keynesian Economics*, 21(4), 663-678
17. Levinson, M. (2000). The Cracking Washington Consensus. *Dissent*, 47 (4), 13.
18. Peterson, W. C. (1996). Macroeconomics and the Theory of the Monetary Economy. *Political Economy for the 21st Century: Contemporary Views on the Trend of Economics*. ARMONK, NY: M.E. SHARPE, 151-170.
19. Estrin, S., Hanousek, J., Kocenda, E. and Svejnar J. (2009). Effects of Privatization and Ownership in Transition Economies. *The World Bank*, 28.
20. Wacziarg, R., Welch, K. (2003). Trade Liberalization and Growth. Stanford University's Graduate School of Business. Retrieved from: www.stanford.edu/~wacziarg/downloads/integration.pdf

Література

1. О мерах по ускоренному реформированию предприятий с участием государства и приватизации государственных активов. Указ Президента РУз от 20 октября 2020 г. №УП-6096. URL: <https://www.lex.uz/docs/>
2. О мерах по кардинальному обновлению государственной политики в сфере разви-

тия экономики и сокращения бедности. Указ Президента РУз от 26 марта 2020 г. №УП-5975. URL: <https://www.lex.uz/docs/4778531>

3. О совершенствовании денежно-кредитной политики с поэтапным переходом на режим инфляционного таргетирования. Указ Президента от 18.11.2019 г. № 5877. URL: <https://lex.uz/docs/4600826>

4. Об утверждении Концепции административной реформы в Республике Узбекистан. Указ Президента от 8.09.2017 г. №УП-5185. URL: <https://www.lex.uz/acts/3331176>

5. Мирзиёев Ш. Выступление Президента Республики Узбекистан на собрании, посвященном 29-й годовщине независимости Узбекистана. URL: <https://president.uz/ru/lists/view/3824>. (Дата обращения 01.09.2020 г.)

6. Асадов Х. Как сделать правительство эффективным? URL: <https://repost.uz/government> (Дата обращения 15.08.2020 г.)

7. ВБ снизил прогноз по росту ВВП Узбекистана. URL: <https://www.gazeta.uz/ru/2020/06/09/outlook/>

8. Игнатова Т. В. *Взаимосвязь государственной политики устойчивого развития и налогообложения*. Ростов-на-Дону. 2003.

9. Как Узбекистан борется с пандемией? Интервью с директором ЦЭИР О. Хакимовым. URL: <https://review.uz/ru/post/kak-uzbekistan-boretsya-s-pandemiei> (Дата обращения 14.07.2020 г.)

10. Минфин отчитался о росте растрат бюджетных средств. Больше всего пострадало образование. URL: <https://tegra.ph/INFORMACIYA-o-kontrolnyh-meropriyatiyah-provedennyh-Departamentom-gosudarstvennogo-finansovogo-kontrolya-v-1-m-polugodii-2020-go-07-16> (Дата обращения 16.08.2020 г.)

Стаття надійшла до редакції : 01.11.2020 р.

11. МОТ оценила влияние COVID-19 на социально-экономическую ситуацию в Узбекистане. URL: <https://www.gazeta.uz/ru/2020/08/20/survey/> (Дата обращения 20.08.2020 г.)

12. Полтерович В. Уроки реформ 1990-х годов. URL: <https://iq.hse.ru/news/177672764.html>

13. Программа действий Правительства Республики Узбекистан. 21.01.2020г. URL: <https://www.gazeta.uz/ru/2020/01/23/aripov-program/>

14. Расулев А., Воронин С., Мухитдинов З. *Модернизация налоговой системы Республики Узбекистан*. Москва: Общество и экономика, 2020. №6. С. 53 – 63.

15. Шенин С. Ю. «Российский проект» Гарварда: от триумфа к позору. *Известия Саратовского университета*. 2008. Т. 8. Сер. История. Международные отношения.

16. Hudson J. A Generalized Theory of Output Determination. *Journal of Post Keynesian Economics*. 1999. №21 (4), pp. 663-678

17. Levinson M. The Cracking Washington Consensus. *Dissent*. 2000. № 47 (4), p.13.

18. Peterson W. C. Macroeconomics and the Theory of the Monetary Economy. *Political Economy for the 21st. Century: Contemporary Views on the Trend of Economics*. ARMONK, NY: M.E. SHARPE, 1996, pp.151-170.

19. Estrin S., Hanousek J., Kocenda E., Svejnar J. Effects of Privatization and Ownership in Transition Economies. *The World Bank*, 2009. 28 p.

20. Wacziarg R., Welch K. Trade Liberalization and Growth. 2003. Stanford University's Graduate School of Business. URL: www.stanford.edu/~wacziarg/downloads/integration.pdf

Стаття прийнята до друку: 26.12.2020 р.

Бібліографічний опис для цитування :

Rasulev A. Formation of effective system of economic management is the vector of modern reforms in Uzbekistan / A. Rasulev, S. Voronin // Часопис економічних реформ. – 2020. – № 4 (40). – С. 45–55.

