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DEVELOPMENT OF REGIONAL INDUSTRY AND ITS ROLE IN ENSURING SUSTAINABLE SOCIO-ECONOMIC GROWTH IN UZBEKISTAN

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Abstract: This article examines the development processes of the regional industry in Uzbekistan and its role in ensuring sustainable socio-economic growth. The article analyses institutional reforms, targeted regional programs, and measures for industrial modernization implemented since the first years of independence. Particular attention is paid to the system of indicators for assessing the development of regional industry, issues of production diversification, efficient use of local resources, and the creation of new jobs. The study also explores the impact of industrial policy on regional competitiveness, investment attractiveness, infrastructure development, and improvement of living standards in different regions of the country. In addition, the article highlights the importance of innovation, digital technologies, and the introduction of energy-efficient production methods in increasing industrial productivity and strengthening economic stability. The research emphasizes the role of small industrial zones, free economic zones, and entrepreneurship support mechanisms in accelerating regional industrial growth. Furthermore, the article identifies existing challenges such as uneven industrial development among regions, limited technological capacity, environmental issues, and insufficient integration between industry and local resource potential. Based on the analysis, recommendations are proposed for improving regional industrial policy, enhancing investment activity, and ensuring balanced and sustainable industrial development in Uzbekistan.

Keywords: textile industry, regional development, economic factors, production potential, localization

1. Introduction

Since the first years of independence, our country has pursued a purposeful regional policy and implemented big institutional changes. Currently, measures are being taken for the integrated development of territories, and targeted regional programs are being implemented.

A logical continuation of these regional reforms was the adoption in January 2017 Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On approval of the Regulations on the Information and Analytical Department for Integrated Socio-Economic development of Territories". In January 2022, the document "On the development Strategy of the new Uzbekistan for 2022-2026" was adopted by Decree of the President of the Republic of Uzbekistan No. PF-60.

The third direction of this strategy defines priority tasks aimed at the sustainable development of regional industry, including the construction of new industrial enterprises, increasing export and industrial potential, creating favorable conditions for the location of production facilities and sustainable development of the regional economy.

These tasks are related to the need to more fully disclose the economic interests of local economic entities, optimize production, strengthen intra-and inter-industry cooperation, expand localization processes, and make effective use of available resources. Important attention is paid to increasing the production of competitive domestic products focused on export, developing interregional industrial cooperation, as well as increasing employment and, on this basis, improving the level of material well-being.

2. Literature review

At the present stage, industry plays a key role in ensuring the necessary market balance, increasing the competitiveness of the economy and household incomes, as well as in solving problems related to the localization of production. This industry is also important in creating jobs: in the processing industry, the creation of one job contributes to the creation of two or three jobs in related industries [1].

"The dynamism of the industrial sector has a significant positive impact on the development of other spheres and sectors of the economy. In particular, the development of food and light industry stimulates the growth of agriculture, forestry and fisheries " [5].

Assessing the level of development of industry and its branches in the regions is a complex economic process that cannot be measured by a single indicator. Therefore, it is advisable to use a system of various indicators reflecting development trends (see Table 1).

Based on the above factors, it can be argued that each region has its own unique production potential, as a result of which the level of industrial production in one region may be higher than in another [6].

The main goals of regional socio-economic development programs are: rational use of undeveloped reserves and opportunities, rich raw materials and sources, ensuring the interconnected development of industries with regions, full use of the capacities of existing industrial enterprises, and organization of production on unused buildings and structures [2].

3. Objectives of the Study

1. To examine the development processes of the regional industry in Uzbekistan and its contribution to sustainable socio-economic growth.
2. To analyse the institutional reforms, industrial policies, and targeted regional development programs implemented since the early years of independence.
3. To evaluate the role of industrial modernization in increasing production efficiency, competitiveness, and regional economic stability.
4. To investigate the system of indicators used to assess the level and effectiveness of regional industrial development.
5. To study the importance of production diversification and the efficient utilization of local natural, labour, and raw material resources in regional industrial growth.
6. To assess the impact of industrial development on employment generation and improvement of living standards in the regions.
7. To identify existing challenges and opportunities in the development of regional industry and propose recommendations for strengthening sustainable industrial growth in Uzbekistan.

4. Methodology

This study employs a qualitative research methodology based on the analysis of scientific literature, government reports, statistical data, policy documents, and regional development programs related to industrial development in Uzbekistan. Secondary sources were used to examine the dynamics of regional industry, institutional reforms, and modernization processes. The study also analyzes economic indicators associated with industrial production, diversification, employment creation, and regional competitiveness. Comparative and analytical methods were applied to evaluate the effectiveness of industrial policies and identify the main factors influencing regional industrial development.

5. Research Design

The research is designed as a descriptive and analytical study. The descriptive aspect focuses on presenting the historical development of the regional industry in Uzbekistan, major reforms, and industrial transformation processes. The analytical aspect evaluates the economic and social impacts of industrial development, including modernization, diversification, and regional resource utilization. The study also considers regional disparities and policy measures aimed at ensuring balanced industrial growth across different regions of the country.

6. Research Approach

The study adopts a qualitative analytical approach. This approach enables an in-depth examination of industrial development trends, policy reforms, and socio-economic outcomes within regional economies. Through the interpretation of existing literature, statistical information, and institutional documents, the research identifies the major achievements, challenges, and future prospects of regional industrial development in Uzbekistan. The qualitative approach is appropriate because the study emphasizes policy analysis, structural transformation, and developmental strategies rather than experimental or quantitative modelling.

7. Data Analysis

Table 1: **System of indicators that characterize the level of development of the regional industry**

Indicators of the 1st order	Indicators of the 2nd order	Indicators of the 3rd order	Indicators of the 4th order
Economic			
Volume of industrial production per capita	Index of industrial production	Index of real sector	development Index of economic activity
Export volume per capita	Export index		
Labor productivity in industry	Labor		
productivity index Employment in industry (thousand people)	Employment Index		
Technological			
Capital Productivity Capital	Productivity	Index Technological Level Index	
Capital intensity of production	ICOR		
Number of patents received (per 100 thousand people)	-		
Object			
Number of employees in the industry	Employment rate	Production function	Total factor productivity (TFP)
Cost of fixed production assets	Capital intensity and return on capital		
Investment in fixed assets			

Availability of natural resources and raw	materials Level of territorial availability		
Project			
-based Number of high-tech production	projects Share of high-tech production in industrial output	Integral index of diversification	Index of economic openness
Number of high-tech production projects	Share of high-tech products in industrial output		
Participation of business entities in large investment projects	Participation rate of the region in large investment projects		
Number of localization projects Localization	ratio		
Number of export expansion projects	Share of new export-oriented goods in industrial output	Integral export expansion index	
Share of exports in GDP	Export orientation ratio of the economy		
Share of foreign direct investment in total investment	Foreign investment participation ratio		
Number of enterprises with foreign capital			

Special attention is paid to the issues of diversification of production, in-depth processing of raw materials for the production of high-tech products with high added value, and the creation of new jobs, which contribute to the growth of employment [4].

When developing these programs, the main focus is on the following areas:

- analysis of conditions for integrated development of territories in the medium term, identification of their impact, trends and problems;

- development of a system of target indicators based on modern methods of socio-economic forecasting and their correlation with existing and developed programs;
- preparation of specific measures to achieve the goals set, taking into account real sources of funding [7].

The programs of socio-economic development provide for a radical improvement of the territorial organization of industrial production, including:

- sustainable development of strategically important industries — the oil and gas complex and the non-metallic materials industry - through the development of new deposits, increasing the mineral resource base, introducing modern, energy-efficient and high-performance technologies for the extraction and processing of raw materials [6];
- expansion of export-oriented production facilities based on the competitive advantages of the districts, creation of new capacities for the production of building materials that meet international quality standards [3];
- accelerated development of processing industries, primarily in the textile industry, based on the use of local agricultural raw materials, increasing the volume of processing of cotton fiber;
- development and placement in the regions of small enterprises, micro firms, and branches of large companies specializing in the processing of local raw materials and the production of competitive finished products [4].

Regional development programs emphasize the need for prioritizing the industrial sector in all cities and districts, rational coordination of sectoral programs, and implementation of specific investment projects aimed at structural changes in the location of industrial enterprises [8].

To ensure effective implementation of the programs in 2022-2024, local authorities are assigned the following tasks:

- regular identification and elimination of problems that hinder the implementation of projects; elimination of any bureaucratic barriers to their implementation [9];
- organization of operational collection and provision of data on unused buildings and structures to business entities;
- ensuring the connection of implemented projects to engineering and communication networks (power supply, gas, water, sewerage, heat supply), taking into account best practices;
- creating favorable conditions for initiators of new projects, taking into account the specifics of each region and mobilizing all available resources;
- identification and support of promising projects in mahallas, development of standard models of their organization;
- improvement of the structure of implemented projects, especially in industry — organization of modern, high-tech production facilities;
- providing targeted support to export enterprises, expanding their participation in foreign economic activities;
- formation of new projects aimed at efficient use of local raw materials, their deep processing and production of products with high added value;
- organization of at least three processing enterprises in areas where there are resources of meat, milk and fruit and vegetable raw materials, but there are no corresponding production facilities [9];
- defining strategic directions of regional industrial policy with an emphasis, first, on eliminating technological backwardness in certain regions, and secondly, on equipping enterprises with modern equipment and technologies.

8. Findings

The findings of the study demonstrate that the development of regional industry in Uzbekistan has become one of the key factors supporting sustainable socio-economic growth since independence. The research shows that institutional reforms, state industrial policies, and targeted regional development

programs have significantly contributed to the modernization and expansion of industrial production capacities across different regions of the country.

The study reveals that industrial diversification has played an important role in reducing regional economic dependence on traditional sectors and increasing the production of competitive industrial goods. The efficient use of local natural resources, raw materials, and labor potential has strengthened regional industrial specialization and enhanced economic productivity.

The analysis also indicates that industrial modernization and infrastructure development have contributed to the creation of new jobs, improvement of household incomes, and enhancement of living standards in many regions. Small industrial zones, free economic zones, and investment incentives have encouraged entrepreneurship and attracted both domestic and foreign investments into regional industries.

At the same time, the research identifies several challenges affecting balanced regional industrial development, including disparities in infrastructure, uneven technological advancement among regions, limited innovation capacity, and shortages of highly skilled labor. The findings suggest that further improvement of industrial policies, technological modernization, digital transformation, and support for innovative production are necessary to ensure long-term industrial competitiveness and sustainable regional development.

Overall, the study concludes that regional industry serves as an important driver of economic growth, employment generation, and structural transformation in Uzbekistan, while continued reforms and effective regional policies remain essential for achieving inclusive and sustainable industrial development.

Conclusion

In conclusion, it should be noted that the effective use of the industrial potential of regions can accelerate the achievement of goals related to ensuring territorial stability, economic growth, conducting deep structural transformations, and implementing the forecast parameters of regional development [4]. Only the comprehensive implementation of these measures will ensure the full socio-economic effect.

Furthermore, strengthening regional industrial capacity contributes to increasing employment opportunities, improving investment attractiveness, enhancing export potential, and ensuring sustainable use of available natural and economic resources. The modernization of industrial infrastructure, introduction of innovative technologies, and support for small and medium-sized enterprises can significantly improve regional competitiveness in both domestic and international markets.

In addition, effective cooperation between government institutions, private businesses, and local communities plays an important role in achieving balanced regional development. Special attention should also be given to digital transformation, environmental sustainability, and the development of human capital, as these factors are becoming increasingly important in modern economic systems. Therefore, the consistent implementation of industrial development strategies and regional economic reforms will create favorable conditions for long-term socio-economic stability and sustainable national development.

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