

THE ROLE AND CURRENT SITUATION OF INDUSTRIAL PRODUCTION IN THE REGION'S ECONOMY.

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***Annottatsiya:** Maqolada sanoat ishlab chiqarishining mintaqa iqtisodiy salohiyatini oshirishda tutgan o'rni ko'rib chiqiladi. Mamlakat va mintaqaning iqtisodiy rivojlanishi asosan ushbu mintaqaning sanoat rivojlanishini ko'rsatkichlari belgilaydi.*

***Kalit so'zlar:** mintaqaviy iqtisodiyot, sanoat, ishlab chiqarish, import, eksport, tovar va xizmatlar, yalpi hududiy daromad, qishloq xo'jaligi, bandlik.*

***Аннотация:** В статье рассматривается роль промышленного производства в повышении экономического потенциала региона. Экономическое развитие страны и региона в значительной степени анализируется с помощью показателей и экономической ситуации, которые определяют промышленное развитие этого региона.*

***Ключевые слова:** региональная экономика, промышленность, производство, импорт, экспорт, товары и услуги, валовой региональный доход, сельское хозяйство, занятость.*

***Annotation:** The article discusses the role of industrial production in increasing the economic potential of the region. The solution of the economic development of the country and the region is mainly analyzed by indicators and economic situation of the industrial development of this region.*

***Key words:** regional economy, industry, manufacturing, imports, exports, goods and services, gross regional income, agriculture, employment.*

Industry is very important in the modern economic activity of the region. The economic development of any country and region is largely determined by the industrial development of that region. Industry is one of the key links in modern civilization, providing us with the products and jobs we need. At the same time, it is one of the key sectors supporting industry, agriculture and services.

Some industries that depend on raw materials and agriculture are also agricultural-based industries. Industries are part of the secondary manufacturing sector, which is the main feeder of employment opportunities for many people. The level of employment and high incomes are directly determining the economic stability of the region.

The development of industrial production in the regions depends on a number of factors, which are determined by many factors. One of the important tasks is to study the factors influencing the industrial production of the region

and to propose specific development models. In general, in today's era of modernization, the role of industries is an integral part of our lives. It can be said that without industry, it is difficult to ensure economic stability in any region.

Evolutionary economics argues that economic development and growth occur as a result of an evolutionary process (Nelson, 2008; Nelson and Winter, 2009). As part of this process, new firms become familiar with the existing industrial structure, and during their life cycle, most new firms experience growth and decline before they eventually die (Ireland et al. 2009).

This article argues that the overall level of regional economic performance in a capitalist economy stems from the consolidated decisions of firms. The industry is described as a group of firms that produce substitute products (Porter, 1980) and consists of actors seeking to advance their interests based on limited rationality in the regional industry (Simon, 1982) and in interactions with others (Sharp), 1997). The result of these individual firm decisions is reflected in regional industrial development.¹

Road dependence theory is increasingly being used as a theoretical basis for analyzing regional industrial development (Henning et al. 2013; Isaksen and Trippel, 2014). The theory is that regional industrial development is a road-dependent process because its historical heritage has a major impact on today's regional industrial structure (Boschma and Frenken, 2006, p. 280: 281). Road dependency theory argues that the emergence of industrial structures, infrastructure, and institutional structures today makes some industry-appropriate choices preferable to others (Martin and Sunley, 2006). In addition to the theory of road dependence, once created, industrial roads can develop in two directions (Martin, 2010). The first direction is aimed at limited road widening, while the other is aimed at more rapid development. While the limited expansion of the industrial path is based on the state of knowledge recycling, the dynamic evolution of the industrial path is based on updated regional knowledge and innovation.

Either contributes to the consolidation of existing technologies and knowledge, industrial renewal through the attraction of new technologies, industries or knowledge, or contributes to the creation of regional industrial routes by exploiting new business opportunities in the region and thereby introducing potential new industries (Martin, 2010; Martin and Sunley, 2006; Todtling and Trippel, 2013).

As creators of new enterprises, entrepreneurs make a significant contribution to the evolution of this regional industry. However, although

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context appears to be important in the business literature (Aldrich and Cliff, 2003), entrepreneurial researchers see both entrepreneurs and their new firms as decontextual individuals (Alsos et al. 2014). Along with this research, entrepreneurs seek to increase their business success opportunities by optimizing their new firm locations and thus contribute to increasing regional interactions and knowledge flows.

Industrial development is necessary for the modernization of agriculture. In many regions, agriculture is traditional and backward. Product cost is high and productivity is low. To modernize agriculture, we need tractors, machinery, pump sets and combines. To increase productivity, we need chemical fertilizers, pesticides. All of this is an industrial product. It is impossible to produce these goods without industrial development. Agricultural products such as jute, cotton, sugar cane and others are raw materials. Industrialization is also necessary for the production of finished products such as textiles and sugar. Hence, the development of industry is necessary for the modernization of agriculture.

Industrialization is often crucial to the region's economic growth and reducing long-term poverty. At the same time, the method of industrialization affects how the poor benefit from growth. Economic and industrial policies that support the poor are aimed at increasing economic returns on the factors of production that the poor have, e.g. increasing the incomes of unskilled workers, policies that promote high returns on capital and land will exacerbate inequality if they do not include changes in the concentration of physical and human capital and the concentration of land ownership. The use of capital-intensive methods instead of labor-intensive methods increases income disparities, as well as the introduction of skill-based technologies, especially in regions with low levels of education and accumulated human capital.

The reason for the low level of industrial development in the regions is the fact that a large part of production technologies are associated with medium and low-level technologies.

Compared to the same period last year, the share of high-tech industry in the structure of manufacturing industry increased by 1.9% (in January-November 2019 - 1.5%), medium-high-tech - 23.1% (26, 1%), medium-low-tech - 40.5% (36.6%) and low-tech - 34.5% (35.8%) (Figure 1). We can see that the work on the widespread involvement of high technology in industrial production is still one of the most pressing issues.

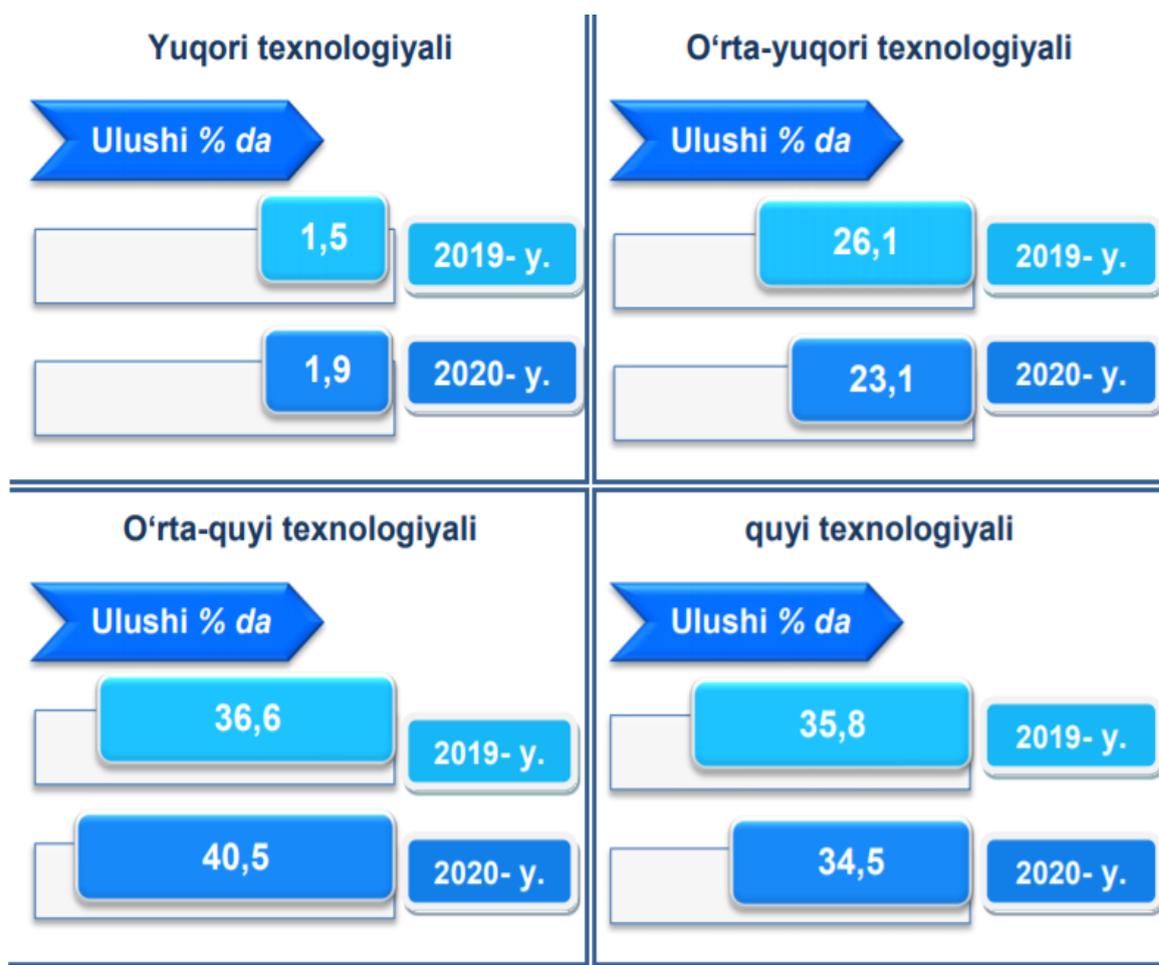


Figure 1. The structure of production technologies in industry.²

At the same time, it is important to increase domestic and foreign investment in the industry. In many developed countries of the world, we can see that a very large part of industrial technologies are high-tech based on the latest innovations.

As a result of the assessment of modern industries in the regions of the country and their impact on the economic growth of the regions, the following main problems and shortcomings were identified:

- As a result of low investment activity in regions without large reserves of raw materials, there is a large gap between the regions in terms of attracting investment to the economy.

- The lack of foreign-invested enterprises in the regions makes them unable to attract enough foreign investment in line with the size of their economies.

Conclusions

The analysis shows that industrial development is an important basis for economic growth for the regions. The expansion of production is associated with

² Data of the State Statistics Committee of the Republic of Uzbekistan.

stimulating exports, increasing trade openness, economic liberalization, and improving the business environment in many countries. At the same time, import protection and selected state intervention were also applied. Since poverty is mainly a rural problem in many developing countries, increasing agricultural productivity is often the key to reducing poverty at the beginning of economic development.

At the beginning of rural development, which was emphasized by agricultural reform or otherwise, there was a decrease in inequality, usually due to a decrease in rural poverty.

In order to further improve the industrial sector and increase industrial production in the regions of the country, it is necessary to take the following measures:

- ▶ increase the use of existing production capacity in the regions;
- ▶ Rehabilitation of idle production facilities, creation of new material and technical base;
- ▶ creation of favorable conditions for the activities of newly established enterprises, granting benefits;
- ▶ the number of small businesses and private entrepreneurs in industries encourage more reproduction and organization;
- ▶ Accelerate the development of programs to produce import-substituting finished products.

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