УДК 378

Axmedova Sh.

Andijan State Medical Institute

MAIN FEATURES OF ECONOMIC GROWTH INDICATORS

Abstract: This article discusses the main features of economic growth indicators. The author explained the nature of economic growth indicators with the help of valid arguments.

Key words: economic growth, economy, market laws, gross domestic product, gross domestic income, resources

Economic growth is the quantitative increase and qualitative improvement of the social product and its factors of production. It is expressed in an increase in the volume of output of goods and services and an increase in their quality in the considered economic system (in the country, region, world). A measure of economic growth is the increase in real GDP as a whole or GDP per capita.

The foundations of the theory of economic growth and development were created by Joseph Schumpeter at the beginning of the 20th century[4]. He was the first to introduce the differences between economic growth and development, defined the essence of innovation as the main driving force of economic growth. In his basic scientific work - the monograph "The Theory of Economic Development", first published in 1911, Joseph Schumpeter defined economic growth as quantitative changes - an increase in the production and consumption of the same goods and services over time. Joseph Schumpeter defined economic development as positive qualitative changes, innovations in production, in products and services, in the field of management, in other spheres of life and types of economic activity in the state. Joseph Schumpeter identified innovation as the main driver of development and progress, as well as an entrepreneurial resource that creates demand for innovation and its excess supply, where growth is quantitative changes, and development is qualitative positive changes aimed at growth and improving the quality of life.

Schumpeter's ideas were used by Philippe Haghion, who formulated the Schumpetirian growth model. Robert Solow, Hirofumi Uzawa, Frank Ramsay, Tjalling Koopmans, David Kass, Paul Samuelson, Peter Diamond, Gary Bakker, Paul Romer, William Nordhaus, Oded Galore, Daron Acemoglu also contributed to the modern theory of growth and development. and many others.

The basis for modern theory is the Solow model. It is a model of exogenous growth, since the increase in labor productivity in it is set from the outside. This is one of the shortcomings of the model. The second drawback is the exogenous savings rate. The first drawback is overcome in models of endogenous growth. In the first generation models, economic growth is associated with the accumulation of human capital. The second generation models consider innovation and subsequent productivity growth as the result of the choice of economic agents. For example, in Romer's model, firms innovate through monopolistic competition, and workers choose a sector of employment (production of goods and services or production of knowledge) by comparing the return on each of them. The second shortcoming, the exogenous nature of the savings rate, is solved by including the problem of intertemporal choice. The basic models with an endogenous norm are the Ramsey and Diamond models (a model with intersecting generations).

A unified view of the history of economic growth was offered by Oded Galor. He considered three modes of growth: Malthusian, post-Malthusian and modern. The transition to the modern regime is associated with an increase in labor productivity and a demographic transition, which leads to a decrease in the population growth rate. Unlike the Malthusian regime, this leads to a steady increase in per capita income.

What is economic growth? The answer is obvious - it is the development of the economy. But how do they measure this indicator and determine whether there is growth or not?

For example, to assess whether a person is rich, we first look at their income. The more he earns, the more he can afford: a big house, a prestigious car, holidays in an expensive resort, private schools for children, treatment in the best clinics and other benefits of civilization that are available for money.

It is the same with the country's economy: the greater the total income of the country, the more its inhabitants can afford. Another thing is that the income of an entire country is more difficult to measure than the income of one person, for this there is GDP - gross domestic product. If the GDP is growing, then the country is experiencing economic growth.

Gross domestic product is the total value of goods and services that were produced in a country in a given period of time, such as a year. It is not easy to calculate GDP, because you have to sum up everything that is produced in the country: both goods and services. The corn grown in the fields and the concert of a punk band also count towards GDP. All these various goods can be added up and the volume of GDP can be determined only if each of them is converted into money - into their market value. That is, in the amount of money that people are willing to pay for each of the goods, whether it be a vegetable or a ticket to a punk concert.

Not only the level of GDP is important, but also the size of GDP per capita. Here, too, you can draw an analogy with a family: if a family of two people earns, say, 100,000 rubles a month, then they can afford a lot. And if 100,000 is the total income of a family with six children, besides, three aunts and two grandfathers are dependent? Of course, their standard of living will be lower than that of a family of two with the same income.

By itself, GDP does not take into account such indicators as, for example, the environment or the level of personal happiness of each inhabitant. So it’s impossible to call it an ideal measure of well-being - after all, the quality of life is not always directly related to the amount of money in your wallet.

Thus, economic growth is an increase in the quantity of goods and services. Is it worth chasing consumption? After all, they say money doesn't buy happiness. Yes, economic growth is not always synonymous with happiness and well-being, but still, GDP growth has a positive effect on living standards. The wealthier the society, the higher the life expectancy, the better medicine, the lower the crime rate. Caring for the environment is also characteristic of rich countries. Therefore, economic growth is one of the main objectives of the economic policy of any country.

What is economic growth like? Extensive is growth by increasing the amount of resources. Suppose the state has a lot of minerals, it lives only at their expense: it extracts and exports; due to this, the economy grows. At the same time, no one develops production, does not invest in technology - the country simply intensively uses the resource until it runs out.

Intensive economic growth occurs due to the fact that the state improves technologies, masters the achievements of science and technology, and invests in innovative business. Roughly speaking, robots are replacing the hoe and plow - production is improving, GDP and living standards are growing.

Economic growth depends on various factors: for example, how many able-bodied people are in the country, how many qualified specialists, how many natural resources, how technologically production is, whether the socio-political situation is stable, whether investments are developing, etc.

Why low inflation is important for economic growth. How do ordinary people, entrepreneurs, enterprises act in conditions of high and unpredictable inflation? They spend what they earn as quickly as possible, refuse savings and long-term investments, invest not in development, but in valuable goods, real estate or foreign currency.

It becomes impossible to plan anything for a long time ahead, and this is the most important condition for the growth of investments and the economy as a whole.

Without long-term planning and investment, it is impossible to develop science, technology and innovative industries, without which the modern economy is unthinkable. Economic growth with high inflation is possible if it is promoted by external factors, such as high prices for exported natural resources. But the effect of such factors may end, and along with this, economic growth will inevitably end.

Today, nearly two-thirds of global GDP—that is, all the goods and services that the entire world has produced in a given time—accounts for countries where central banks control inflation in one form or another. After all, the lower the price growth rate, the easier it is to plan in advance - this applies to businesses, banks, and ordinary people. Stable prices are the basis for economic development.

References:

1. Urokova O. Urakova Oysuluv Jamoliddinovna The praise of nature and the universe in novalis romance //Архив исследований. – 2020.
2. Uroqova O. J. Красота-главная категория эстетики //Экономика и социум". Россия, г. Саратов. – 2020. – №. 3. – С. 70.
3. Uroqova O. J. Chulpans problems of emancipation of people creative work //Теория и практика современной науки. – 2018. – №. 1. – С. 64-67.
4. Urokova O. J. Chulpon's creative work in the legacy of the aesthetical thought of mankind //Theoretical & Applied Science. – 2016. – №. 9. – С. 183-188.
5. Nurmatova N. N. Independence is the basis of achievements of economic development of uzbekistan //Экономика и социум. – 2019. – №. 10. – С. 44-46.
6. Nurmatova N. N. Features of the relationship of man and nature //Экономика и социум. – 2022. – №. 2-2 (93). – С. 292-295.