

## Foreign Experience in Implementing Reforms to Improve the Life of the Population

Samieva Gulnoza Tokhirovna <sup>1</sup>

### *Annotation*

*This article analyzes the importance of improving the standard of living of the population and ensuring the well-being of the population, as well as studying foreign experience in this direction and comparing country models. The article examines additional components of the standard of living of the population and their interpretation in different countries.*

**Keywords:** *welfare of the population, social sphere, standard of living of the population, welfare index, socio-economic development.*

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<sup>1</sup>Ph.D, Associate Professor, Karshi Engineering and Economic Institute

**INTRODUCTION.** Studying the content of factors, directions and problems of socio-economic development was one of the main tasks of state policy. Effective resolution of such important issues largely depends on people's deeper understanding of the secrets of socio-economic development, their requirements and features, laws and regulations, the purpose and essence of the economic reforms being implemented.

As a result of the implementation of the selected strategies for ensuring socio-economic development, modernization and diversification of the economy, Uzbekistan is one of the few countries in the world that ensures stable rates of economic and social development and increases in the material well-being of the population.

In particular, "Ensuring employment of the population, training youth and unemployed citizens in skilled professions at the expense of the state, developing family entrepreneurship, reducing poverty by half by 2026 by providing targeted support to the population in need, creating a management system in the field of reforming social protection, improving the quality and volume social services, providing the population with clean drinking water, building modern road communication networks, improving public transport and regular interregional road, rail and air communications, implementing large-scale projects, solving the housing issue in general, creating comfortable living conditions for the population..."<sup>1</sup>

If we consider social benefits as an additional component of the standard of living of the population in Uzbekistan, then in the last 2 years alone the number of recipients of social benefits has increased by 1.3 times, and the amount of benefits has increased by 2 times. However, this problem cannot be completely solved by paying or increasing social benefits and financial assistance to the poor. To improve the standard of living of the population, it is necessary to improve its quality and solve such basic issues as public health, education, housing, and the use of household services.

"As a result of ongoing socio-economic reforms, the share of income from business activities in the income of the population is increasing. In subsequent years, the figure in this regard increased from 10.6% to 58.6%. "This is one of the highest indicators in the countries of the Commonwealth of Independent States"<sup>2</sup>, which indicates how relevant the issues of not only economic but also social development of our country are today.

**LITERATURE REVIEW.** Many classical neoclassical economists and Nobel laureates, such as D. Ricardo, R. Solow, A. Sen, A. Dittton and many other Nobel laureates, have conducted theoretical and empirical studies of the relationship between income inequality, poverty and economic growth. If in societies with low poverty levels gross labor consumption, technological development, labor productivity, public health, tax base and other similar factors are analyzed, then the rate of economic growth will be higher, and this has been proven theoretically. Issues related to the socio-economic development of the standard of living of the population have been studied by a number of domestic and foreign economists, researchers and practitioners.

Among scientists in Russia and the CIS countries, the topic has been studied by scientists such as Abakumova N.N., Podovalova R.Yu., Averin A.N., Agapov S.A., Romanov E.Yu., Dagbaeva S.D., Zherebin V. M., Romanov A.N., Kukushina V.S., Podovalova R.Yu., Aliev I.A., Gorelov N.A., Savenko P.V., Kokina Yu.P. , N.A. Volgina, N.A. Smirnov, V.M. Rutgaiser, S.P. Shpilko,

<sup>1</sup>PF-60 dated 28.01.2022 of the President of the Republic of Uzbekistan "Strategy of New Uzbekistan for 2022-2026"

<sup>2</sup> Address of Sh.M. Mirziyoyev to the Oliy Majlis. – T. December 24, 2020

Surinov A.E., Rimashevskaya N.M., Simbalist A.B., Bashurin A., Bobkov B. N.

In particular, among the economists and researchers of Uzbekistan are K.H.Abdurakhmonov, N.K.Zokirova, Sh.R.Kholmuminov, R.F.Jumanova, N.M.Ibragimova, M.Z.Mukhitdinova, B.Pardaeva, K.S. Saidov, P.Z. Khashimov and others in their scientific research tried to deeply study issues related to poverty as a separate problem.

### **RESEARCH METHODOLOGY**

Dissertatsiya ishida tizimli yondashuv, tahlil va sintez, induksiya va deduksiya, qiyoslash, monografik kuzatuv, statistik guruhlash, so‘rovnoma usullaridan foydalanilgan.

### **MAIN ANALYSIS AND RESULTS**

In the 80s of the 20th century, processes of state regulation of the economy began in developed countries based on new conservative concepts. Traditional forms of regulation were abandoned, the share of the public sector was reduced due to the privatization of state property, decentralization processes in economic decision-making intensified, and the importance of market mechanisms in the economy increased.

In particular, in the United States, these measures are being implemented on the basis of a direction called “A New Way for America: An Economic Renewal Program,” which includes reductions in income tax rates, investments by large corporations in order to stimulate economic growth, and tax breaks. Stimulating measures aimed at limiting federal government spending, reducing government regulation of private business, and pursuing anti-inflationary monetary policy are supported. However, the measures taken did not produce the expected results. For example, in the United States, the share of government spending in GDP increased from 22.6% in 1980 to 27% by 1987.

Government debt rose instead of falling, and falling inflation did not prevent the collapse of the financial system. On the contrary, there was a decline in growth, rising unemployment and a decline in real wages due to inflation. Similar processes took place in England, Japan, Austria, Italy and other countries.

Since the 90s, Keynesian trends in economic regulation have declined again.

The variety of ways to develop society and reform the economy depends on a number of factors. First of all, this is due to their focus on a specific goal and principles of economic management. Young developing countries were forced to find their way within these concepts, drawing on various concepts of the theory of “alternative development”, setting goals that were easier to achieve.

These concepts are based on:

- The concept of “Basic needs”. The main goal of this concept is to ensure the minimum living needs of the population and solve employment problems;
- Concept of "Acceptable or appropriate technology". This concept is based on the need to develop labor technology that ensures employment of the population and is aimed at processing local raw materials, primarily agricultural raw materials;
- The concept of "Relying on one's own strength as a team". This concept aims to strengthen cooperation between developing countries in order to make fuller use of existing reserves and reduce their dependence on developed countries;

- The concept of the “New International Economic Order”. This concept is aimed at ridding developing countries of their economic colonial status and ending their economic backwardness, recognizing them as equal partners, establishing new prices for raw materials and industrial goods in accordance with their interests, international trade norms, and exchange rates. and expanding opportunities to acquire modern technology reflects their shared aspirations.

Many models and economic paths of developing countries consist of a unique combination of the above-mentioned concepts and theories.

There are many models of national development in the world. They are called by the name of the indigenous people of that country - the nation. For example, American, German, Swedish, Japanese, and Chinese national models are known. Regardless of the model, the main goal is to build an efficient economy and raise the standard of living of the people. Choosing a particular model is not the end goal.

The model is above all a practical expression of existing natural, developed and great intelligence. In the model of North America, especially the USA, the role of the state in the economic activity of the market is reduced to the lowest level.

The state is mainly engaged in three tasks - stability, ensuring the equality of all its citizens before the law, supporting business and entrepreneurship through infrastructure development, and caring for those who cannot support themselves. poisoned. This model is a sharp, violent way of the market, which rejects subsidies and the loss-making work of enterprises. Although this path seems very charming at first glance, it can put the people, especially its poor sections, in a difficult situation. The American model envisages the free formation of prices, the abandonment of subsidies, the economy with a surplus of foreign trade, the privatization of state-owned enterprises, the attraction of foreign investors, the closing of inefficient enterprises and the release of redundant workers.

This way will lead to certain tensions - extremely high prices, unemployment, decrease in income, increase in external debt. But such losses are associated with the transition to the free market. The delay can be compensated with long-term benefits, of course. This model is characterized by an intensive redistribution of shareholder property. In this model, the enterprise is treated as a commodity. It can be divided into "parts" and sold through the stock exchange.

Another characteristic of the "Amerikasha" model of economic development is the extremely high concentration of production and the important role of large business in the economy. According to official statistics, the turnover of corporations accounts for 90% of the total turnover of the country. Out of more than 4 million existing industrial corporations, 500 produce 40% of the country's gross domestic product. Most of these corporations are multinational corporations, and the goods and services produced by their overseas businesses account for 1/3 of US gross domestic product<sup>3</sup>.

Concentration indicators at the level of financial capital are even higher. Although several thousand commercial banks operate in different countries, 50 of them own 1/3 of the total bank assets. Large banks and industrial corporations form strategic alliances. It is natural for such large financial and industrial groups to include the country's leading economic centers in their sphere of influence.

<sup>3</sup> Экономика США//Под ред. В.Б.Супяна// - СПб.: Питер, 2003. - С.514

According to experts, more than twenty such alliances are currently operating in the US economy<sup>4</sup>. It should be noted that the role of the human factor is also high in the "American" model of economic development. The USA is a country of immigrants-foreigners. The American state was built by immigrants. Mass immigration is important in shaping the national composition of the US population.

The current American nation is the result of the ethnic integrity of people who came from different continents of the world, first of all from Europe. Although more than a hundred nationalities and peoples live in the United States, 80% of them are Europeans, 12% are black Americans, and 5% are Spanish-speaking Americans. The number of local people (primarily Hindus) is only about one percent. In the economic literature, the economic development models of European countries are divided into the following groups:

- German model of economic development;
- British development model;
- French development model;
- "Swedish model" of economic development.

The uniqueness of the German model of economic development is that it focuses on a socially oriented market economy and the construction of a social-legal state<sup>5</sup>.

The German "economic miracle" is based on state intervention in the economy and appropriate use of free market principles. The use of large-scale aid in accordance with the "Marshall Plan", the high quality of "human capital", active participation in world economic relations, moderate business economic policy can be included among the important factors of ensuring economic growth in Germany.

Under the influence of these factors, while the price stability was maintained for a long time, the annual average additional growth rate of the gross domestic product in the country reached 8.5%. It was during this period that concepts such as "German quality", "German hard work", and "German responsibility" appeared.

In the British development model, state regulation of the economy has a priority. The state plays an important role in financing capital investments, stimulating new industries, developing scientific direction, and implementing social policy. The state acts as an intermediary in the signing of mutual agreements between many private enterprises and large companies. Small enterprises will have a stable market, a source of supply and financing through such contracts, they will get the opportunity to use new technologies and the results of scientific and technical development.

The French development model is based on the principles of "dirigisme". Despite the fact that as a result of the "neoliberal revolution", the state's entrepreneurship activity has somewhat decreased, the level of state entrepreneurship in France is 3 times higher than in the USA. The regulatory activity of the state has also been significantly preserved<sup>6</sup>.

Today, the French government influences economic development through a nationwide

<sup>4</sup> Райцин В.Я. Модели планирования уровня жизни. – М. "Экономикс", 1987, стр 42-60

<sup>5</sup> Черников Г.П. Мировая экономика. М.: Дрофа, 2003. - С.297

<sup>6</sup> Норт Д. Институты, институциональные изменения и функционирование экономики. –М.: Фонд экономической книги "Начала", 1997. – стр.54-55

structural program, the promotion of new industries, the support of scientific research, and active social policy. The state budget plays a key role in regulating the economy. 54% of French national income is redistributed through the public budget.

Ensuring social equality and justice is a priority in the "Swedish model" of economic development. The economic foundations of the "Swedish" model are as follows:

- mixed economy (joint use of the market mechanism and the method of active regulation by the state);
- combination of private ownership and "collectivization of consumption" in the field of production;
- the size of the state-utility sector in social services;
- combination of the planned microeconomic policy with selective measures to maintain a high level of employment and investment<sup>7</sup>.

European models of national economic development models (Germany, Switzerland, the Netherlands, Sweden) are often called the "Rhine model" after the famous river in Germany. This model is characterized by the stability of the property structure of joint-stock enterprises. The "philosophy" of economic activity plays a major role in this model. According to it, the enterprise is considered as a community with common interests.

It should be noted that in recent years, various national models of European countries are approaching the pan-European model. This was done primarily in the following areas:

- establishment of a single labor market;
- formation of economic and currency union;
- financial policy coordination;
- convergence of social models;
- ensuring uniform conditions for entrepreneurial activity and the formation of a competitive environment;
- improvement of the federal structure;
- adoption of uniform rules and mechanisms of economic regulation. Both in Japan and in the newly industrialized countries of Asia, free enterprise activities are combined with state management (centralized planning). Basic prices can be controlled by fiscal methods, that is, taking into account state revenues. Of course, in the current economy, a certain type of market does not exist in its pure form. Now the experience of countries and peoples has become very general.

It is known that the newly industrialized countries in Asia, and Japan before them, widely used world experience during economic reform and structural restructuring of the economy. After the Second World War, the Japanese economy was in a difficult situation. It was necessary to overcome the deep crisis of industry, the difficulties of transitioning from the military-economic model to the market model, the subjugation of the economy to military production, the drying

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<sup>7</sup>Томбовцев В.Л. Государство и переходная экономика: Правила управляемости. – М.: МГУ – ТЕИС, 1997. – стр. 34.

deficit, inflation, and others.

But the Japanese people solved these difficulties very quickly. Therefore, a centralized military model of governance in the country was introduced. It was not just an arrangement, but a deliberate retreat given the situation. Therefore, the new market model of the economy was not created again.

In Japan, as in the former socialist countries, the most talented, most capable part of the nation, entrepreneurs, influential people were not destroyed.

The main issue was where to start the reform. This issue was first correctly defined and then solved: the advantages of economic revitalization were clearly defined, first of all, the production of food, coal, ore, and the most vital necessities was developed<sup>8</sup>.

The "Japanese" model of economic development is distinguished by a number of its features. One of them is the socialization of the society, which envisages the coordination of relations at all levels and in all social spheres based on respect for the traditions of the Japanese way of life. In Japan, based on ideological values, a unique form of incentive to work, which is sharply different from American standards, has emerged.

The importance of socio-cultural and religious factors in the life of society is clearly expressed in the "Japanese" model of economic development. Social consciousness and community spirit occupy an important place in the Japanese people and culture. It is the result of an ancient and rich history. According to Japanese national traditions, the interest of any social group is higher than the interest of an individual. The primary group - the family - plays the main role in the life of the society, and the community takes the next place. A modern enterprise, corporation, and state is a big family. The fact that every Japanese person thinks on behalf of a group and considers himself a member of a group is not only related to Japanese culture and traditions, of course. The social structure of Japanese society is also important.

According to experts, Japan is a society of social harmony<sup>9</sup>. However, despite the high average per capita income, Japan does not have a large gap between the rich and the poor. In particular, the ratio between the incomes of the richest and poorest 20% of the population is only 2.9 times in Japan. However, that showing is 19 in the US. The "Japanese" method of management pays special attention to the strategic problems of development. It tries to increase the social efficiency of state enterprises. In doing so, it fully supports thinking beyond the narrow framework measured only by monetary returns.

China and Vietnam started their economic reform mainly from agriculture, filling the food market and achieved good results. As a result of the economic reforms carried out in China, the market mechanism and the non-state sector of the economy have significantly strengthened their position. But regulation by the state, distribution of labor and social guarantees are the priorities of the socio-economic development of the country.

This model can also be called a mixed economy in which the socialist model has a priority position. At this point, it is appropriate to quote the following words of Deng Xiaoping, one of the founders of the Chinese model: "Plan" or "market" is not a fundamental difference between capitalism and socialism. A planned economy does not mean socialism, capitalism also has a

<sup>8</sup> Ширавва Л., Мамедова Н. Неоклассическая модель государственного регулирования рыночных отношений. – Российский экономический журнал. – 1992. -№4. стр. 100-101

<sup>9</sup> Райцин В.Я. Модели планирования уровня жизни. – М. "Экономикс", 1987, стр 42-60

plan. At the same time, the market economy is not capitalism, because socialism also has a market. Plan and market are economic methods”<sup>10</sup>. The diversity of economic development models is also characteristic of developing countries. Based on the development strategy, these models can be conditionally divided into two groups: countries that choose export-oriented and import-substitution strategies.

## **5. CONCLUSION AND SUGGESTIONS**

Based on the above, the following conclusions were reached:

1. The well-being of the country's population is represented by the size and composition of the gross labor product. Personal consumption expenses are especially important. The high share of goods intended for long-term use in the total volume of consumption indicates the level of well-being of the population and the high level of economic development of the country. Gross domestic product per capita is used to calculate the human development index and the country's social development index.
2. Many factors affect the country's economic development and social sphere. In particular, its level largely depends on the role of the state or market system in the economy.
3. The quality of the population is calculated as the ratio of the number of population growth in the current year to the number of the population with physiological defects in natural growth. In the current conditions, social policy is considered as a powerful tool for the rapid development of the economy and the formation of new production relations in the countryside. Solving social issues of work, life, culture and satisfaction of people's interests and needs should be considered the main activity of all state and economic bodies, including public organizations.
4. There are many models of national development in the world. They are called by the name of the indigenous people of that country - the nation. For example, American, German, Swedish, Japanese, and Chinese national models are known. Regardless of the model, the main goal is to build an efficient economy and raise the standard of living of the people. Choosing a particular model is not the end goal. The model is above all a practical expression of existing natural, developed and great intelligence.

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