



PROSPECTS FOR THE DEVELOPMENT OF THE SERVICE SECTOR IN RURAL AREAS

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ANNOTATION: *This article assesses the state of economic development of the agricultural sector in some regions, the factors affecting them, the dynamics of development of industries, the role of the regional economy in macroeconomic indicators.*

Keywords: Agriculture, agricultural production, gross domestic product, gross regional product, animal husbandry, structural changes, investments, regional economy, economic and statistical analysis, agrarian reform, socio-economic processes.

INTRODUCTION

In the field of study of socio-economic processes, the study of individual sectoral features of regions and specific aspects of their development increases the accuracy of the structural analysis of the whole region.

Although the share of the agricultural sector in the structure of the economy of the country to date has a significant share among the main industries and sectors, the share of agricultural products created as a result of ongoing structural changes is declining. The main reason for such changes is the rapid development of industry, services and other sectors in the national and regional sectors of the economy [1].

Within the framework of agrarian reforms, important legal, organizational and economic measures are being taken in our country to develop forms of entrepreneurial activity.

In particular, in the Strategy of Agricultural Development of the Republic of Uzbekistan for 2020-2030, the implementation of pilot investment programs to support the development and diversification of entrepreneurship in agriculture, improving the activities of the State Fund for Entrepreneurship Support under the Agency for Small Business and Entrepreneurship Development with special emphasis on [2].

Given that the agricultural sector is one of the most important sectors of the economy in the context of the pandemic, which put the world in a difficult economic situation at the end of 2019, it is important to determine strategic directions for its development based on trends in the agricultural sector.



Analysis of the relevant literature

Statistical analysis of agricultural production at the macro and meso levels has been studied by many scientists and researchers by individual countries and regions. In particular, Y.Abdullaev and N.Soatov [3] theoretical aspects of economic and statistical analysis, T.Shodiev [4] econometric models of agricultural sector development in theoretical and practical terms, D.Parmakli [5] specific aspects and laws of agricultural economy theoretically, V.Somov analyzed the economic development of agriculture in a separate territorial unit [6].

Although the above research theoretically studied the macroeconomic and statistical analysis of the development of the agricultural sector, to date, the territorial units of the country have carried out in-depth analysis of the agricultural sector to determine the main directions of development of the regional sector not increased.

RESEARCH METHODOLOGY

The basis of the research methodology are laws on the development of statistics, Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No PP-4947 "On the Strategy for further development of the Republic of Uzbekistan", President of the Republic of Uzbekistan dated August 3, 2020 No PP-4796 Development of real sector enterprises, investment support, increasing the export potential of the sector, the national strategy for the future development of statistics.

ANALYSIS AND RESULTS

Andijan region is the second largest producer of agricultural products in the country's agricultural sector after Samarkand and Tashkent regions, and over the years the volume of regional gross agricultural output has been growing steadily (Table 1).

Table 1.

Changes in the main macroeconomic indicators of the national economy and Andijan region, bln. sum [7]

The analysis of the main macroeconomic indicators and regional indicators of Andijan region, presented in the table above, allows to more clearly see the importance of the regional economy in the national economy.



Indicators	Years										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross domestic product, billion sum	78936,6	103232,6	127590,2	153311,3	186829,5	221350,9	255421,9	317476,4	424728,7	529391,4	602551,4
Gross regional product (billion soums)	4497,3	6183,4	7623,8	9918,6	11872,3	13914,0	16115,6	19753,0	27144,4	33802,1	38531,0
Share in the country index (%)	5,7	6,0	6,0	6,5	6,4	6,3	6,3	6,2	6,4	6,4	6,4
The volume of investments in the national economy, bln. sum	16463,6	19500,0	24455,3	30490,1	37646,2	44810,4	51232,0	72155,2	124231,3	195927,3	202126,8
The volume of investments in the regional economy, billion sum	726,2	1087,2	1379,9	1462,3	1645,0	1956,5	2188,5	2986,0	4711,9	7452,1	8755,1
Share in the country (%)	4,4	5,3	5,6	4,8	4,4	4,4	4,3	4,1	3,8	3,8	4,3
Gross agricultural output, bln. sum	30856,7	45285,9	55750,0	66435,3	81794,3	99604,6	115599,2	148199,3	187425,6	216283,1	249754,5
Gross regional agricultural output, bln. sum	2841,1	4264,9	5283,6	6575,4	7992,4	9796,6	11873,4	15290,9	19606,3	23686,7	26142,8
Share in the country (%)	9,2	9,4	9,5	9,9	9,8	9,8	10,3	10,3	10,5	11,0	10,5

Although Andijan region occupies a much smaller area than other regions, it is one of the leaders in terms of population (currently the region has a permanent population of 3188.2 thousand people, the fourth largest in the country) and in this regard in terms of population density.

It ranks first in the country (9 people per 1 km² in Navoi region, 11 people per 1 km² in the Republic of Karakalpakstan, and 733 people per 1 km² in Andijan region). Under the influence of natural-climatic and demographic factors, in 2010 the regional product of the region amounted to 5.9% of GDP, and by 2020 this figure will increase by 0.6% to 6.5%.

The country's GDP has grown 7.8 times over the past 11 years, with an average annual growth rate of 6.3%, while Andijan region's GDP has grown 8.7 times over the period 2010-2020, with an average annual growth rate of 5, Which was 2%.

A comparison of the indicators shows that the overall growth rate of the gross regional product of the region is higher than the national average, while the average growth rate is slightly lower.

The change in the volume of gross domestic product and regional product depends in many respects on the volume of investments attracted and mastered in the national or regional economy.

The volume of investments in fixed assets in the national economy for 2010-2020 increased by 12.6 times and amounted to 16463.6 billion soums in 2010 soums, in 2020 - 202126.8 bln. soums. Nationwide, the average annual growth rate of this indicator was 3.2%, and the growth rate of this indicator compared to the previous year was around 4.0% in 2017-2019.



At the regional level, the volume of investments in the regional economy was slightly lower than the national level. In particular, over the past 11 years, the total volume of investments in the regional economy increased by 10.3 times and in 2010 amounted to 726.2 billion soums.

By 2020, the volume of investments will reach 7,882.9 billion soums. The 11-year growth rate of investments in the regional economy in the region amounted to 10.8 times, the growth rate is declining after 2010-2011 and a sharp growth trend from 2017. In particular, the growth rate of investments in the regional economy in 2017-2020 was around 26.3%.

In Andijan region, there is a tendency to change the share of investments in the regional economy at the macro level. While this figure increased during 2011-2012 (5.3 and 5.6%, respectively), it can be seen that it decreased steadily between 2013-2020 (3.9% in 2020). This, of course, can be explained by the more active investment movement of the economy in other regions than in Andijan.

Andijan region is the second largest producer of agricultural products in the country's agricultural sector after Samarkand and Tashkent regions, and over the years the volume of regional gross agricultural output has been growing steadily.

According to the table, the volume of regional agricultural production in the region for 11 years from 2010 to 2020 amounted to 2841.1 billion soums.

16454.5 billion soums and increased by 5.8 times. When comparing this figure to the growth rate of the indicator created in the agricultural sector of the country, it appears that the regional indicator has grown by 0.4 times more than the national level.

During the period under review, the regional agricultural output in Andijan region amounted to 9-11% of the national level, achieved a stable growth rate over the years, and its share in 2020 increased by 0.6% compared to 2010.

The analysis of time series values shows that compared to previous years, the regional index grew rapidly in 2013, 2016 and 2019 by 0.4, 0.5 and 0.8%, respectively, and this growth was due to certain natural and economic factors in the regional agricultural sector makes.

The development of the regional agricultural sector in the period under review is also affected to some extent by changes in the area of arable land used in agriculture, which is the main production resource of the sector (Table 2).



Table 2.

Analysis of some socio-economic indicators of agriculture in Andijan region in 2010-2020 [7]

Indicators	Years											Absolute change in 2020 compared to 2010 (+,-)
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Area of agricultural crops in the region, thousand ha	230,1	230,2	229,6	229,9	229,9	230,0	230,0	230,1	230,2	230,2	230,1	100,0
Share in the country (%)	6,2	6,4	6,3	6,3	6,2	6,2	6,2	6,6	6,8	6,9	6,8	+0,6
Number of people employed in the regional agricultural sector, thousand people	692,2	723,4	725,1	762,1	797,5	817,6	820,5	822,4	781,7	778,9	773,4	81,2
Share in the country (%)	22,2	22,4	22,3	22,4	22,6	22,7	22,5	22,4	22,1	22,0	22,0	-0,2
Share in the total number of items in the region (%)	25,9	26,7	26,3	27,2	27,9	28,1	27,7	27,3	25,5	24,9	24,4	-1,0

Although the area used by the Andijan regional agricultural sector for agricultural production has remained virtually unchanged over the past 11 years, the area under crops has declined somewhat between 2012 and 2015 and increased to its previous level by 2020.

Taking into account the fact that the area under crops used by the agricultural sector of the country decreased by 10.8% in the period under review, it is possible to positively assess the level of change in the area under crops used in the regional agriculture. This is due to the fact that the share of agricultural land in the region in the national average over the past period increased from 6.2% to 6.9%, and the growth rate was 0.7%.

Another key indicator in Table 2 is the change in the number of labor resources employed in the sector, reflecting the qualitative aspects of agricultural development in the region, allowing to determine the characteristics of changes in the level of labor productivity directly in the agricultural sector.



The number of labor resources employed in the agricultural sector of Andijan region in 2010 amounted to 692.2 thousand people, which in 2020 increased by 11.7% and reached 773.4 thousand people. The share of labor resources employed in this area in the region amounted to 22.0-22.7% of employment in agriculture, and this figure decreased by 0.2% between 2010 and 2020.

The share of the employed population in agriculture in the total employed population was 24.9-28.1%, and the analysis of the change in this indicator over the years showed an upward trend until 2015 and a decrease in subsequent years, and in 2020 decreased by 0.5% from 2010 (24.4%).

The analysis shows that while the number of labor force in the agricultural sector has increased in volume as a result of structural changes in the regional economy, the share has decreased due to the rapid development of industry and services.

This situation, on the one hand, provides a certain level of intensive development of the regional network, on the other hand, exacerbates the problem of employment of labor resources released from the agricultural sector in the most densely populated region of the country.

Although the above analysis reflects the state of changes in the generalized indicators of the agricultural sector in Andijan region, the analysis of these indicators does not accurately describe the characteristics of the changes in the region, the agricultural sector and enterprises.

With this in mind, the study analyzed the state of regional agricultural development in the cities and districts of the region, the agricultural and livestock sectors of the industry and the main forms of enterprise.

The change in the volume of agricultural production in the regions was due to the favorable conditions for the network of territorial units (cities and districts), which are considered favorable for agriculture.

Conclusions and suggestions

In the period under review by farms, the volume of production has grown steadily from 2010 to 2020, but the share of farms in regional agricultural production seems to have declined over the past 11 years. In 2010, the share of farms in regional agriculture was 31.4%, but by 2020 this figure has dropped to 32.6%.

This decline can be explained by the fact that the majority of farms in the region specialize in cotton and grain, and the volume of products produced by farmers due to the development of horticulture and greenhouses is growing rapidly.



While other types of agricultural enterprises produce very little of the region's regional agricultural output, it can be seen that in recent years the share of these types of agricultural enterprises in the total volume has started to grow.

The statistical analysis of changes in the regional economy of Andijan region and its main components in the regional agricultural sector allowed to distinguish the following trends in the agricultural sector of the region:

1. Although Andijan region occupies a much smaller area than other regions, it occupies one of the leading positions in terms of population and, in this regard, ranks first in the country in terms of population density.

A comparison of the indicators shows that the overall growth rate of the gross regional product of the region is higher than the national average, while the average growth rate is slightly lower.

2. In Andijan region, there is a tendency to change the share of investments in the regional economy at the macro level. While this figure increased during 2011-2012, it can be seen that it declined steadily between 2013-2020.

3. Andijan region is the second largest producer of agricultural products in the country after Samarkand and Tashkent regions in terms of volume and volume of production, and over the years the volume of regional gross agricultural output has been growing steadily.

4. From 2010 to 2020, the volume of regional agricultural production in the region increased by 5.8 times. When comparing this figure to the growth rate of the indicator created in the agricultural sector of the country, it appears that the regional indicator has grown by 0.4 times more than the national level.

5. Although the area used by the Andijan regional agricultural sector for agricultural production has remained virtually unchanged over the past 11 years, the area under crops has declined somewhat between 2012 and 2015 and increased to its previous level by 2020.

Taking into account the fact that the area under crops used by the agricultural sector of the country decreased by 10.8% in the period under review, it is possible to positively assess the level of change in the area under crops used in the regional agriculture. This is due to the fact that the share of arable land in agriculture in the region increased from 6.2% to 6.8% over the past period, and the growth rate was 0.6%.

6. Analytical data show that as a result of structural changes in the regional economy of the region, the number of employed in the agricultural sector has increased in terms of quantity, but decreased in terms of share due to the rapid development of industry and services.



This situation, on the one hand, provides a certain level of intensive development of the regional network, on the other hand, exacerbates the problem of employment of labor resources released from the agricultural sector in the most densely populated region of the country.

7. The change in the volume of agricultural production in the regions was due to the favorable conditions for the network of territorial units (cities and districts), which are considered favorable for agriculture.

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