

ECONOMIC SCIENCES

FOREIGN EXPERIENCES ON ECONOMIC GROWTH AND POPULATION INCOMES

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Abstract

The article describes the experience of economic growth and population income and expenditure in advanced foreign countries, its features, necessity and its essence. Experiences of foreign countries are also presented.

Keywords: advanced foreign countries, territory, mineral raw materials, population, incomes, expenses, experiences of the Russian Federation, Japan, China, Canada, Vietnam.

The experience of advanced foreign countries and research results show that effective use of the natural-economic potential and opportunities of regions, as well as increasing population incomes, are among the key factors. This is because reforms are directly implemented in regions and residential areas through investment projects. Special attention is given to ensuring the efficient use of each region's natural, mineral-raw material, industrial, agricultural, tourism, and labor potential, focusing on comprehensive development. It is appropriate to widely study the development strategies for each region, particularly the concept of long-term regional development.

There are interrelationships among economic categories like gross domestic product (GDP), economic growth, living standards, and population income in the economic development of world countries. Especially important is the relationship between population income and its expenditures and welfare, as these factors play a key role in the development and progress of every nation. The main economic challenge for any country is improving the living standards and increasing the incomes of its population. Improving living standards is the most necessary economic tool that results in covering the benefits of societal reforms. As a key result, people gain higher incomes, leading to an increase in life expectancy. Therefore, discovering new sources of income and improving living standards is the only path for developing countries.

Today, foreign scholars emphasize that "many countries require accelerating economic growth and increasing population incomes, as well as speeding up production models. According to existing theories of development, random economic growth and population income increases cannot be achieved, but properly selected models are considered effective" [3, pp. 3-14].

When discussing issues of increasing population income, the factors of real income and wages often take precedence. Therefore, wage growth is typically determined by the rightward shift of the demand and supply curve. Population income is studied in relation to wage factors, with income per capita growth and minimizing consumption expenditures determining this relationship [1, pp. 162-163].

In this regard, the experiences of Russia, Japan, China, Canada, and Vietnam have been examined in terms of changes in living standards and population income. It is known that in developed countries, "more

than 50% of the gross domestic product (GDP) is created by the 'knowledge economy,' that is, innovations and highly qualified personnel. A transformation from traditional factors ensuring economic growth to innovative factors is occurring. While 70% of economic growth is attributed to traditional factors, the remaining 30% is due to innovative factors" [8, p. 536].

By studying the economic growth and poverty reduction challenges faced by various countries, the results are shared with the global community through initiatives like the Economic Growth and Development Commission, supported by the World Bank, Sweden, the Netherlands, the UK, and the William and Flora Hewlett Foundation. Based on the information published by this commission, it is acknowledged that only a few countries in the world have achieved stable annual economic growth of 5%. Despite economic growth in many developed countries, this does not always directly lead to improved living standards or the resolution of social issues, as evidenced by the experience of certain developing countries. For instance, the economic growth in Russia, Japan, Korea, and China in the 2000s led to increasing income inequality and income stratification [3, p. 268].

As noted by the Russian economist S. Kuznets, "the long-term supply of various goods and services, as well as a significant increase in population incomes, are indicators of a country's economic growth" [2, p. 4]. This opportunity is connected to the development of technology, institutional changes, and shifts in societal ideology, with each of these components playing an essential role. In the long term, an increase in the supply of goods and services results in increased consumption expenditures by the population.

In Malaysia, to improve living conditions, agencies like the Ministry of Agriculture and Regional Development (MARA), Amanah Ikhtiar Malaysia (AIM), and Tekun Nasional are providing interest-free loans with a repayment period of at least ten years. Group lending members are required to meet at least twice a month, and these microloans are processed by microfinance institutions within 6-10 working days. Malaysia's experience in microfinance can also be applied in Uzbekistan. Given the existing potential of banks like Microcreditbank, Agrobank, and People's Bank, introducing a group lending mechanism would be beneficial in supporting citizens and businesses facing supply issues.

Today, the United Nations (UN) is taking numerous steps to improve global living standards and assist countries suffering from poverty. These efforts include the "Millennium Development Goals" adopted in 2000 and the "Sustainable Development Goals" approved in 2015, which focus on supporting the economic and social well-being of the global population while preserving the environment and protecting public health.

Since 1990, the role of the state in development has been reflected in the UN's Human Development Reports. The Human Development Index (HDI) assesses economic growth by taking into account life expectancy, education levels, and income per capita based on national industrial statistics. The creation of the HDI was seen as a response to the Gross Domestic Product (GDP), introducing new measures and interpretations for evaluating development [7, p. 177].

The study of the experiences of developed countries shows the effectiveness of Russia's economic policies for achieving stable growth trends. "In 2019, Russia's GDP per capita amounted to 11,288.9 USD, ranking 61st globally. Russia ranks among the top countries in coal, oil, and natural gas extraction, as well as in the production of electricity, fertilizers, steel, rolled products, and cement. The ruble's exchange rate has shown an unstable trend relative to the US dollar in recent years, mainly due to the close relationship between Russia's economy and oil and gas" [4, pp. 298-299].

Over the past two years, the global spread of the coronavirus pandemic has negatively impacted the social and economic development of countries, leading to economic stagnation in various sectors. During this period, Russia allocated approximately 10 trillion rubles in anti-virus measures. Several issues facing Russia's economy in the post-crisis period have already been identified. Firstly, the role of the state in the economy is expected to intensify. During the crisis, state involvement significantly increased and is unlikely to return to previous levels after quarantine ends. The significant state influence could negatively impact economic development [4, pp. 298-299].

In contrast, China has experienced rapid economic growth, surpassing Japan in GDP in 2010 and becoming the second-largest economy in the world after the US. China's gold reserves reached 12,012.3 billion USD, and foreign investments amounted to 14,145.1 billion USD in 2022 [5, p. 29].

China's experience in economic growth and poverty reduction is worth studying. Since 1978, the country has implemented a six-stage poverty alleviation strategy, which includes the following phases [5, p. 30]:

–phase (1978-1985): Farmers were given the freedom to choose and cultivate crops independently, with guaranteed prices for their products.

–phase (1986-1993): Subsidized loans and effective labor programs were implemented in 332 underdeveloped regions, and grants were allocated from the state budget.

–phase (1994-2000): The number of underdeveloped regions increased to 592, where measures were taken to increase the income of the poor, develop infrastructure and promote additional activities.

–phase (2001-2010): Integrated rural development programs were implemented in 150,000 poor villages in 592 regions, focusing on workforce training and industrial development.

–phase (2011-2021): The primary goal of the strategy was to reduce poverty through economic growth, and various programs were implemented to achieve this goal.

–phase (2022-2030): The goal of the new strategy is to develop programs aimed at reducing poverty and increasing population incomes through economic growth.

Improving living standards requires identifying the key factors influencing population income and giving them greater importance. Typically, the Human Development Index (HDI) is used to determine living standards, which is based on the following indicators: the share of GDP per capita, average life expectancy, educational level and skills, and quality of life.

The experience of the countries mentioned above, along with Uzbekistan's rational stabilization policies, indicates that long-term sustainable economic growth can be achieved by implementing structural changes in the following areas:

Promoting free competition and efficiency by controlling prices through state mechanisms;

Improving monetary policy and gradually introducing modern market mechanisms in currency regulation;

Enhancing the well-being of the population by increasing real income and purchasing power while reducing the number of poor families.

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