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# Improving the System of Regional Governance as a Factor in the Development of the Regional Economy

Olim Abdugaparovich Aliyarov

Lecturer at the Department of Economics, Termez State University

**Abstract:** Creating (maintaining) a single market space with the radical transformation of the market, the formation of regional markets and the development of local self-government, indeed the absolute importance of scientific support in the field of regional governance identified the need for a deeper study of issues to improve the effectiveness of management.

**Keywords:** Technical development, socio-economic development, national economy, population, government,transport-industrial

#### INTRODUCTION

Regional economics is a branch of economic science that studies the territorial organization of production. It describes the economic events and processes associated with the market development of the economy of individual regions and their integration into a single economic space.

Therefore, the goal of the researchers is, on the one hand, to identify common features specific to the regions, on the other hand, to identify the specific features of each and to develop a clear program to develop them more comprehensively based on the results obtained.

## Materials and methods

If global economic and geopolitical approaches are actively applied in disciplines such as world economics and political science, then the regional multiplication approach plays an important role in the national economy.

The economy of the region was the weakest link in the administrative-distribution system based on the priority principles of industry management. Evidence of this is the lack of complexity in the development of many regions of Uzbekistan, the serious imbalances between the various elements of economic, social and natural systems.

In connection with the formation of a diversified economy, new economic relations, a radical change in the entire system of governance, the task was set to develop a new mechanism for managing the socio-economic development of the region.

The creation of such a mechanism should be based on the theory of regional reproduction - the laws of social reproduction and their manifestation at the regional level. The reproductive approach in managing the socio-economic development of the region ensures the management of relations and connections between all elements of the regional system, the effective development of the regional economy and the growth of the well-being of the population.

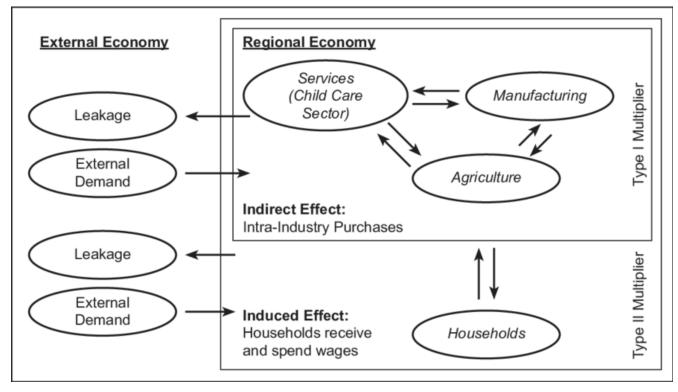


Fig 1. Basic approaches to the regional economy.

The first concept of the theory of regional multiplication is the concept of "Region". In the scientific literature and in everyday practice, concepts such as regional system, regional economy, region, etc. are often used as synonyms for this term, but their content has certain differences.

In the economy, territorial unity is the subject of management decisions, and these decisions themselves need to unite at different levels of government - federal, regional (republic, province, province), municipal, great unity and determination in the zoning of the country and legal status. at each level. It is no coincidence that a common regional concept has been developed for all countries within the European Economic Community.

At the same time, a sign that a region can be seen as a relatively independent entity is its socioeconomic integration with the whole national economy, that is, the economic processes that take place in it are interrelated economic events. should reflect certain forms of social reproduction formed under mystery, social and natural factors.

### Main part

In this sense, the region is a territorial-specialized part of the national economy, characterized by the unity and integrity of the reproductive process. Thus, the words "region" and "territory" should be related in part and in whole. The terms "district" and "region" denoting a part of a common area are broadly synonymous and apply to a specific limited part of a space.

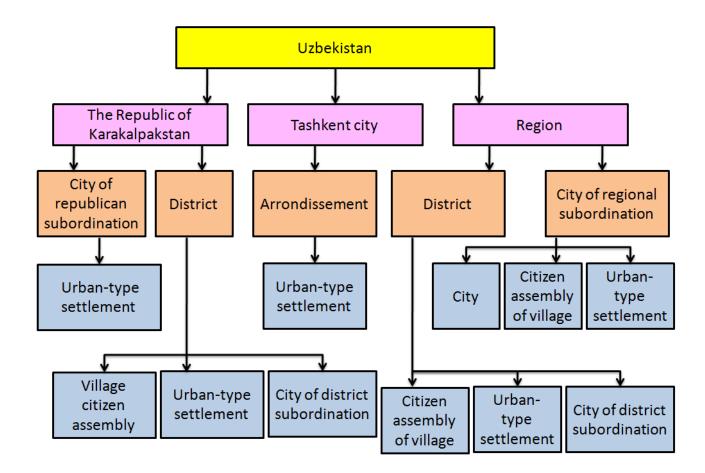


Fig 2. Regional structure of the territorial system of Uzbekistan.

The goal of the regional economy is to ensure a high level of population and quality of life in the relevant region. The regional economy should be based on the use of three main principles:

- First, a careful consideration of the needs of the population of the region, the state and dynamics of emerging markets, the interests of the state and individual enterprises;
- > second, to create conditions for maximum adaptation of the structure of the regional economy to internal and external factors:
- third, the active realization of regional interests.

Numerous approaches in the analysis of regional problems, the notion of region and its functions have determined the multiplicity of classifications of regions. There are no similar regions, there are long-developed and recently developed, central and peripheral regions, there are areas of population growth and decline, in some places the population is dominated by older groups, in others the proportion of young people is large.

Regions differ in terms of productive forces, social structure, availability of raw materials and mineral resources, and distance from developed industrial, cultural, and capital centers. Regions can be divided according to the main sources of specialization of production: agro-industrial, transport-industrial, marine, fisheries, gas and others.

Often the following criteria are based on the classification of regions: level and level of economic development, type of territorial structure, population density coefficient, population growth rate, level of specialization of production, etc.

Nowadays, due to the rapid penetration of regions into the market, a new classification criterion, i.e. the market potential of any region. It is known that the size of the market is inextricably linked with the degree of specialization of social labor, that is, the division of labor. The deeper the social division of labor, the stronger the cooperative ties between the enterprises of any region, the deeper the integration.

Today, the region is becoming a major topic of economic and political relations. In such a situation, it is important to identify the specific features and priorities of regional policy implementation, taking into account the comparative advantages of a particular region, the specifics of its historical and cultural development.

The main objects of regional policy are: production (primarily enterprise), social (primarily society, family, individual as a representative of an ethnic group), monetary and financial institutions, and others.

As regional state entities, they can act as specific representatives of the state and the region. authorities, as well as individual institutions, organizations and enterprises. Regional policy is closely linked to regional development - changes in the internal socio-economic structure of the region.

Spatial differences in the provision of resources, the level of economic development and living standards of the population, infrastructure equipment, the ecological state of the environment, the severity of national and social conflicts are common to almost all countries, regardless of their position in the world.

The goals and objectives of the regional policies of different states may not coincide and may differ within different boundaries. However, there are common goals that are specific to the regional policies of all countries.

#### These include:

- ➤ the creation and consolidation of a single economic space and the provision of economic, social, legal and organizational foundations of statehood;
- > adaptation of conditions of socio-economic development of the regions;
- > priority development of areas of special strategic importance for the state;
- maximum use of natural resources, including the resource characteristics of the regions;
- > prevention of environmental pollution, ecology of regional nature management, integrated environmental protection of regions, etc.

In other words, modern regional policy seeks to reconcile the interests of federalism and regionalism.

Forecasting regional processes is an integral and integral part of a complex management process. The economic, social and environmental consequences of regional development, the full use of labor, natural and material resources depend in many respects on it.

Forecasting is one of the forms of planned activities, based on scientific forecasting of the state of the object in a certain period in the future, or analysis of socio-economic development trends of the object in the relevant period or the use of normative calculations.

The methodology of regional forecasting is based on the knowledge and application of applicable laws not only at the level of the entire state socio-economic system, but also at the level of its components.

The regional forecast includes both aspects of the increase in production, as well as the housing level and location of production in the region. The interdependence of the entire range of forecasts, taking into account the direct and reverse effects, provides an overall regional forecast, on the basis of which the concept and strategic plan of the region is formed.

The development of regional forecasts is based on two universal approaches. The genetic approach justifies the direction of development based on the level of development of the productive forces of the region, the regional problems that have arisen. With a normative-targeted approach, the development paths of a region will depend on previously formed goals.

Regional development forecasting is carried out in accordance with the general principles of forecasting and regional forecasting. Among these principles, the reliability (reliability and accuracy) of predictions, consistency and consistency, variability and continuity are of particular importance.

Regional forecasts are used in the development of economic and social development schemes, the financial condition of regions and their parts, the development and distribution of industries, complex (general) schemes of development and distribution of productive forces.

Their needs, especially in the medium and long term, are determined by the long-term and complex nature of regional problems, the major impact of macroeconomic policy on the formation of regional complexes and markets.

Fig 3.

# Types of Regional Economic Integration

 Regional economic integration (EI) refers to Regional Trading Agreements, which are used as a way to promote competition within the region and also make the region more competitive at a global level.

	Free Trade among members	Common external tariffs	Free mobility of production factors	Coordination of all economic policies, including fiscal and monetary policy
Free Trade Area (FTA)	V			
Customs Union	V	V		
Common Market	V	V	V	
Economic Union	V	V	V	v

Planning is a way of implementing the economic and organizational functions of state and economic policy. An important part of planning is programming. It is based on development predictions and aims to create targeted integrated applications.

The Commission is preparing proposals to identify priorities for regional development, improve monitoring of socio-economic development and assist in the implementation of targeted programs for regional development.

Based on the proposals, the state can allocate regional quotas for loans to implement investment programs. This quota is determined by the amount of participation of the region in production and credit resources of the country:

$$Kpu = (\frac{Q_1}{Q_0} + \frac{KBp - KBM}{KB_0})x100\%,$$

where Q1 is the production capacity in the region; Q0 - production capacity in the country; Cree - quota for lending to investment programs; KVR - credit deposits of banks in a particular region; KV0 - total credit deposits of all credit banks; KVm - loans from local banks.

#### Conclusion

Regional targeted programming allows the federal center to actively address problem areas and successfully address current and strategic challenges aimed at reducing disparities in the level of socio-economic development of regions. However, the programs available in Uzbekistan still have significant shortcomings.

These are weak substantiation of problem priorities, program selection and effectiveness, lack of cross-program coordination and coordination, insufficient development of regional and economic complexity and integration problems, poor implementation monitoring and funding instability.

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