

The Significance of Inclusive Economic Growth for the State

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Annotation

This article is devoted to the study of the essence and content of inclusive economic growth, which includes the development of many areas and activities, from education to ecology. The factors influencing it are studied. The state is substantiated, according to which the provision of a stable financial and economic base of the states also depends on the intensity of inclusive economic growth, which will bind both economic growth and the development of the population living standard. Although economic growth fulfills the tasks assigned to it, it does not have an all-encompassing feature, because of which it can lead to such consequences as a decrease in the development rate of the population living standard, or a number of other problems.

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Introduction. Each country, given its historical, geopolitical data, has a kind of weak or, on the contrary, predominantly strong sides. With the help of them, the history of the state itself and the social, economic and political development paths that have developed in it are built. Taking all this into account, one can understand that each of the states has its own development model, which is not similar to others. And no matter how developed the state is, generalizing the world experience, it is possible to single out countries with different development paths that led them to the state of developed or developing. At the same time, each of the countries pursues one goal – this is the growth of development in all spheres of population’s life in the state as a whole. And for the further development of the state, it is necessary to find the optimal combination of a factors number that will be interconnected and work in an integral manner. But for the implementation of certain development plans, the state needs a stable financial and economic base, which, in our opinion, can be formed, in particular, through the competent implementation of measures aimed at inclusive economic growth. That is why so much attention is paid to the study of measures to ensure inclusive economic growth by scientists from different countries, and there is always room for improvement and improvement in this area of public life.

Literature review. Let us consider the opinions of individual subjects on the essence of inclusive economic growth. OECD - "... economic growth that creates opportunities for all segments of the population and fairly distributes material and intangible benefits in society to increase its well-being" [13].

In this context, the definition of inclusive economic growth is not entirely correct, because if the distribution of funds is carried out among all segments of the population, then costs can be increased many times. But if significant emphasis is placed precisely on those strata that have a significant gap in wages and in the very standard of living, then in the future this may lead to an improvement in the well-being of this segment of the population. Another plus to all this, a minus to the distribution of funds between all segments of the population will be that the more developed layer will be able to improve even more, while if the less developed layer cannot recoup those invested funds, then in the future the gap between revenues may again increase, but only the gap will already be much larger. In the future, all this will be reflected in the further development of the state of the state.

World Bank - "... inclusive growth is growth that enables people to contribute to and enjoy the benefits of economic growth." [4]

It is not possible to fully agree with this statement, since it does not reveal the true essence of inclusive economic growth (all-inclusive), which consists not only in the development of the standard of living of the population itself, but also in focusing precisely on the lower strata of the population, whose lives differ from others groups. One of the reasons, which is precisely the fact that they do not have the opportunity to use certain types of benefits, and even sometimes those that may have the status of "all available"[12].

If we take into account all of the above, then we can clearly understand that in what position the state was not, what periods and stages it did not have on its way, it always strived for the prosperity of various spheres and directions. Since the concept of economic growth itself includes the rise and development of the entire country, then, over time, to some extent, it ceased to fully cope with its duties. And so the state began to have major problems on the issue, a large wage gap, poverty and unequal opportunities in the use of resources. And therefore we have no right to assert that the results of prosperity will come from and depend on economic growth.

If we continue to look at other definitions, we will come across the following international organizations and other institutions that also claim what they represent about inclusive economic growth. For example:

Asian Development Bank - "...growth that not only creates new economic opportunities, but also provides equal access to opportunities created for all segments of society, especially for the poor." [7]

And also an option from the IMF: "... inclusive growth is associated with a broad distribution of benefits and opportunities for economic growth and reflects growth that is strong and inclusive of a wide range of sectors, promotes productive employment for the entire workforce, provides equal opportunities for access to markets and resources, and protects vulnerable populations". [8]

Considering the above examples, we clearly understand what exactly inclusive economic growth implies, which can lead to equality of life opportunities for all groups of the population, in particular, the unsecured as well.

If we recall the example we mentioned earlier, then already taking into account all the information listed on inclusive economic growth, we can understand the reasons why a family lives their days in this position, because to some extent they are forced, and not because they has a lot of opportunities before her and does not want to use them herself.

Analysis and results.

In order to understand how developed the economy of a particular state is, it is enough to look at the rate of development of its economic growth, the measure of which is the growth of real GDP or GDP per capita. In essence, one of the main goals that pursues economic growth is to increase the volume of state income. With the increase in the economic growth of a large number of countries, not each of them will have a full opportunity to deal with their most important problems, which are directly proportional to the life of the state, such as poverty or a large difference in wages between sections of the population, etc. Even though a country may be developed or developing, it has these kinds of problems. Considering all this, we understand that such a situation may soon lead to a weakened pace of development of the state economy. In order to avoid such an outcome, a different methodology will be required, which will bind both economic growth and the development of the standard of living of the population, which will also contribute to the further development of the state's economy. One of these methods we can include inclusive economic growth, the content of which includes the creation of a suitable environment for raising the quality of life for all segments of the population, as well as a number of other goals that will contribute to this. In order to have a clear idea of what is the difference between economic growth and inclusive economic growth and its predominant strengths, let's look at an example.

Let's take for example a family that lives in poverty because it has a low level of income, let's say the reasons for such a life can be very different. But, for example, that a wife, due to a lack of a certain level of knowledge that was not obtained in due time, is forced to work at a job where the level of knowledge is not assessed so strictly and for the reason that she has a low income.

And the husband, let's say, has similar reasons with his wife, and he works at a certain job at a low level because he does not have the proper level of qualification, which is why he has a consistently low salary.

It turns out that poverty is connected with the internal characteristics of the family. But if we look at this situation from a different perspective, we can see a completely different picture, that is, the family is like this not because the husband and wife do not have the proper level of knowledge and qualifications, but because in the city where they live, there is no necessary educational institution where it would be possible to obtain knowledge for acquiring a certain skill for work. Or the situation with the husband when there are no specific centres for advanced training in the same city or in the neighbourhood. That is, in this case, we see that the reasons that led to such a life can be associated not specifically with internal features, but, on the contrary, are associated with external factors.

Then we will have to ask ourselves completely different questions, that is, why in that town there are not certain institutions, institutions and centers with the help of which citizens could have the proper level of education, income and lifestyle in general. We can trace examples of such a low standard of living in almost all countries of the world, regardless of the level of economic development. As a result of all this, you and I involuntarily wonder why countries with well-developed economies still have not a small unemployment rate, a large income gap among the population and unequal provision of opportunities for the use of certain resources. Given its data and capabilities, the goal of each state, as mentioned earlier, is to develop economic growth rates, then we must be clearly aware that although economic growth will bear fruit (as real GDP growth), its results will not be tangible to all segments of the population. And so we have the next question.

And what about all those who belong to that segment of the population, which is not significantly affected by the results of economic growth. Accepting this whole outcome, which brings economic growth, the state, whose interests include raising the standard of living of all segments the population, will have to change the old course for a new one, according to which the state will now follow and which will be more efficient, more fruitful and will be able to beneficially affect, at least at least most of the population. This value, which contains all of the above, is an inclusive economic growth, the essence of which, just the same, implies the achievement of equality between the strata of the population, and the creation of favorable conditions for its further development.

Initially, a number of scientists from academia worked at the basis of its creation. In continuation of all this, it was also developed by the members of the Commission on Growth and Development. Since their goal was achieved, the creation of inclusive economic growth, the essence of which was not only the expression of the results of the level of economic development, but also the determination of the level of life of the state itself. In the future, this concept began to gain popularity very quickly and was well received by a large number of scientists and specialists.

Since today there is no unambiguous stable concept that could fully describe the definition of inclusive economic growth and the fact that this concept has been repeatedly used by international and other organizations, let's consider their point of view on this.

Inclusive economic growth under the Sustainable Development Goals. By the name "inclusive" we can roughly understand that the meaning of this word can mean "all inclusive", "all-inclusive", etc. The essence of the definition itself carries the same meaning. That is, when we began to separate economic growth and inclusive economic growth, we implied their difference in that the second of them would include all sorts of aspects that would develop the

standard of living of the population not only of one town, but of the country as a whole. As it was already highlighted earlier, although economic growth fulfilled the tasks assigned to it, it did not have an all-encompassing feature due to which it could lead to such consequences as a decrease in the rate of development of the living standards of the population, or a number of other problems. That is why international organizations also pay special attention to inclusive economic growth, which, in turn, also has developed a number of methods for its effective application.

One such example is the UN Agenda for Sustainable Development, 2030, which was adopted in 2015. Such phenomena have further strengthened the importance of inclusive economic growth for its further development, with the help of which it will be possible to solve problems such as poverty, environmental protection and social inequality. Thus, we understand that the 2030 Agenda includes three main pillars of sustainable development: economic, social and environmental. On this occasion, it included 17 comprehensive and wide-ranging sustainable development goals (SDGs) and 169 targets that cover such issues as the optimal use of natural resources, rational consumption and production, rule and friendliness, etc. [13]

In order to see inclusive economic growth in action and understand what it includes and what results it leads to, let's look at the table (see: table 1), which lists the 17 goals for achieving a sustainable level of development in different areas, which include the Sustainable Development Goals (SDGs).

If we start to consider each value separately, then we can come to the conclusion that, regardless of the pace of development of the state's economy, each of them has similar low indicators in almost the same categories. But at least we can observe that the results from the goal of eradicating poverty have a higher level of evaluation.

Table 1 - Dashboard of the Sustainable Development Goals for SPECA countries, 2018

Sustainable Development Goals	Afghanistan	Azerbaijan	Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
1 Eradication of poverty	Yellow	Green	Green	Green	Green	Green	Yellow
2 Food security, sustainable agriculture	Red	Red	Red	Yellow	Red	Red	Yellow
3 Healthy lifestyle and well-being	Red	Red	Red	Red	Red	Red	Red
4 Inclusive education, lifelong learning	Red	Yellow	Yellow	Yellow	Yellow	no data	Yellow
5 Gender Equality, Women's Empowerment	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
6 Water management and sanitation	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
7 Sustainable and modern energy	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
8 Inclusive and sustainable growth, full employment	Red	Yellow	Yellow	Red	Red	Yellow	Red
9 Strong infrastructure, sustainable	Red	Red	Red	Red	Red	Red	Red

industrialization, innovation							
10 Reducing inequalities within and between countries	no data					no data	no data
11 Smart and sustainable cities							
12 Rational patterns of consumption and production							
13 Combating climate change and its impacts							
14 Sustainable use of the oceans, seas and marine resources	no data	no data	no data	no data	no data	no data	no data
15 Sustainable use of ecosystems and forests							
16 A peaceful, inclusive society for sustainable development							
17 Global Partnership for Sustainable Development						no data	

remark:

	Enough
	Acceptable
	Not enough
	Extremely insufficient

Source: Bertelsmann Stiftung and Sustainable Development Solutions Network, SDG Index and Dashboards Report 2018. Global Responsibilities Implementing the Goals.

Reforms in Uzbekistan: inclusive growth and its prospects. The Government of Uzbekistan strives to ensure equal opportunities for all citizens in all areas. Among them are sustainable development, peace and security, protection and promotion of basic social and economic rights, access to decision-making[1].

After the full-scale reforms that were adopted in Uzbekistan in 2017, the state has achieved significant success during the five-year period that was allotted to them. And one of the effective indicators is the foreign trade turnover of the state, which increased by 1.4 times, the inflation rate decreased from 18.8% to 11.1% (World Bank).

The achievement of such a result speaks of well-designed reforms and their precise implementation. Their main goal is, if possible, the development of many areas and directions for the renewal and development of state foundations. Foreign economists also spoke about the adopted reforms, and one of them is the Azerbaijani economist Vusal Gasimly, who reacted positively to these situations, thereby drawing attention to the fact that the reforms were aimed at

developing and liberalizing the economy and, among other things, they emphasized the strengthening macroeconomic stability and maintaining high rates of economic growth, improving the investment climate, as well as continuing institutional and structural reforms and stimulating the development of small and private businesses, in turn, played a very important role. And according to the data provided by this economist V. Gasimli, during the implementation of reforms, Uzbekistan rose from 87th place to 69th place in the Doing Business report, and plus, it rose from 166th place to 114- according to the index of economic freedom issued by the fund [6]. But still, no matter what positive factors the reforms bring, and what results they would not lead to, they will not be able to embrace the solution of such significant problems as poverty and inequality associated with it.

No matter what indicators the reforms would lead to, we realized that they would not be able not only to solve such problems of the state as poverty and inequality, but also to fully reveal the opportunities that the state keeps in itself [14]. Since the reforms do not have such strength and power, they can still play a significant role in creating conditions for the development of inclusive economic growth, with the help of which the state will develop in its entirety. In order to understand how the fundamental foundations for the development of inclusive economic growth are set, let's pay attention to the words of the Distributing Director of the international fund Christine Lagarde, who in her report "Reforms in Uzbekistan: a new formula for inclusive growth and cooperation" outlined three key variables in the formula for inclusive growth in Uzbekistan, which she sees based on reforms in the country: improving the quality of investments, maintaining economic and financial stability, and fighting corruption [14]. Of great importance in this aspect is also the reduction of the tax burden on income in the form of wages, through the introduction of a single tax rate on personal income in the amount of 12% for all citizens [2]. It is because of these factors that, in her opinion, Uzbekistan can become a place for integrating innovations, and reforms over the past two years have attracted everyone's attention.

But in case we want to ask ourselves whether the reforms are so effective and effective, then why not limit ourselves to them? Before answering the question, let's look at a graph that will show the economic growth of the state.

If we take into account the fact that it was during the reforms that the state's GDP increased several times (Fig. 2), it should be understood that with inclusive economic growth, other indicators that were also previously indicated in Fig. 1 would develop.

Table 2. GDP of Uzbekistan [9]

1991-2016	2017-2020	Expected results in 2030
GDP percapitawas \$1,068	GDP per capita reached \$1,700	GDP per capita to reach \$2,500 in 2025 and \$4,200 in 2030

The very need for inclusive economic growth and Uzbekistan's readiness for it was first raised by the Minister of Finance of Uzbekistan TimurIshmetov, who, in turn, expressed his opinion about economic growth that it was not effective enough and the results of which could not be noticed by all segments of the population. And so he emphasized that further development will require inclusive economic growth, as it will be of an immense nature. Since the state is young, it has not yet had time to fully reveal its potential, which is stored not only as natural resources, but also as its most important resource, is human. Also, it was this resource that the Minister of Finance of Uzbekistan singled out by saying that it is necessary to increase productivity,

efficiency and create a competitive environment by investing in human capital. It is this resource that is not fully disclosed in its capabilities, and therefore, when Uzbekistan applies inclusive economic growth, it will have a very beneficial effect on it, because those areas that were less developed or are developing slowly will not bear fruit very soon and fully develop the state. And with the development of other areas and areas, to effectively achieve this goal, inclusive economic growth will also make a significant contribution in that it also provides partnerships with other countries that, using their experience as an example, can share their knowledge, technologies and skills in a certain area, which will also have a very good effect not only on the improvement or change of certain systems, directions, but also on the quantity and quality of specialists, who will not only grow. And also the state itself will be able to produce and possess highly qualified workers who will be able to meet business standards, who will also be able to ensure the creation of a competitive environment in due time. That is, we have come to the conclusion that no matter what position you look at, Uzbekistan needs inclusive economic growth, since with its help the state will be able to fully experience what it is capable of.

Conclusion. In this paper, economic growth and inclusive economic growth were compared. Cons and shortcomings were indicated due to which a number of full-scale problems appeared, such as poverty, social inequality and inefficient use of resources, which could badly affect the life of the state, as well as inclusive economic growth itself, which includes the development of many areas and directions from education to ecology. Thus, we understand that the benefits of inclusive economic growth are great, and we see the reason why many countries choose this particular path of development, and the reason for choosing it may be that it contains a clear set of plans, tasks and goals that it step by step touches and executes.

Thus, we clearly see what inclusive economic growth entails, about which other experts and economists expressed their opinion and gave its structure a high rating. And one of the biggest benefits of inclusive economic growth is that it is more focused on fighting poverty and inequality. This is precisely the very factor that is fundamental for solving a number of problems that those states have in them selves, which, in addition to a high level of GDP, have a high level of poverty, a large wage gap and unequal opportunities for the use of resources between segments of the population. Also, this technique can be useful for such young states as Uzbekistan, because with the help of it, it will be possible to fully unlock the potential that it contains. That is, thus we see the universality of this technique, since it:

- It is all-encompassing – it affects various spheres and directions and develops them.
- Suitable for all countries, both developed and developing
- Has a clearly defined goal and task, which is guided by.

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