



**INCLUSIVE GROWTH: CURRENT SITUATION, PROSPECTS OF  
EXISTING PROBLEMS**

**(in the case of the Republic of Uzbekistan)**

Sharipov Ruslan Baxtiyor ugli,  
Graduate Student of Tashkent State University of Economics

<b>ABSTRACT</b>	<b>KEYWORDS</b>
<p>Inclusive growth has been a popular concept globally in recent years to address the problems of growing inequality, social disparity and environmental degradation. Raising the standard of living of the population is the primary goal of the state economic policy. The first condition and way to achieve this goal is to ensure economic growth. Economic growth must be inclusive. In recent years, essential reforms aimed at promoting inclusive growth and increasing the welfare of citizens have been implemented in Uzbekistan. This scientific article examines the situation and problems of the Republic of Uzbekistan in achieving inclusive growth, as well as the analysis of the index of inclusive growth.</p>	<p>inclusiveness, inequality, inclusive growth index, indicators, stability, private sector, human capital, green economy, prosperity, inclusive economy, labour market, poverty, liberalization, corruption, environmental protection, resource reserve, environmental problems.</p>

**Introduction**

According to the definition by the Organization for Economic Cooperation and Development (OECD), inclusive growth is economic growth that is fairly distributed in society and creates equal opportunities for all. Achieving inclusive growth is one of the important and main goals of many countries of the world, including the Republic of Uzbekistan. However, as with any country undergoing rapid change, it is no secret that there are challenges and obstacles to overcome.

To achieve inclusive growth, it is necessary to solve several issues, such as removing obstacles to the growth of the private sector, reducing the role of the state in the economy, focusing on people and their human capital, and transitioning to a green economy. Ensuring macroeconomic stability, economic growth and raising the standard of living of the population in the complex conditions that have arisen in the world economy, ensuring the consistency and continuity of economic reforms to achieve our country's strong position in the world economy at the expense of increasing the competitiveness of the national economy. provision is required.

## The Main Part

The rise of inequality and its impact on the economy and various societies has been causing concern among politicians, economists and the world community. Economic performance, including well-being, should not only be measured by economic growth but equity and environmental sustainability should also be considered. It is argued that the current level of inequality in all countries is harmful not only morally, but also economically and politically.

It cannot be denied that we are currently facing the most complex and widespread environmental problems in the world's history. Rapid population growth, climate change, urbanization and unsustainable consumption have all led to environmental pollution and increased conflicts over land, water and energy resources.

Achieving inclusive growth in Uzbekistan remains relevant today, and the state is taking measures to stimulate the economy. One of the main areas in which the government is directing its efforts is reforms in the education and labour market. By addressing the human capital gap, the government hopes to create a more inclusive economy with jobs and development opportunities for all members of society. According to the World Bank's Systematic Country Diagnostic (SCD) report, the main challenges and opportunities that hinder the achievement of inclusive growth in Uzbekistan include:

1. *Removing obstacles to private sector growth*: authorities should improve the allocation of land, labour and finance, as well as the legal and regulatory framework for competition in the private sector; adopt trade and investment policies that promote global integration of the private sector; building strong private sector support services; acceleration of agricultural market reforms, which will put an end to the intervention of the state in the agricultural market.
2. *Reducing the role of the state in the economy*: the state needs to ensure more private sector growth and encourage job creation.
3. *Focusing on human capital*: Recommends people-oriented policies and investment in human capital to achieve inclusive growth.
4. *Transition to a green economy*: Uzbekistan should build an ecological and sustainable future as one of the ways of development that will help it achieve its ambitious goals.<sup>1</sup>

Since the first days of Uzbekistan's independence, comprehensive reforms have been carried out consistently and rationally.

For this purpose, the government has established a national centre for the assessment of the quality of education throughout the country. In addition to these efforts, international organizations such as the United Nations Development Program (UNDP) are also trying to promote inclusive growth in Uzbekistan. UNDP is working with civil society and the private sector to create employment opportunities, improve the living standards of rural residents, introduce microfinance and business advisory services, reform the education system, and encourage entrepreneurship. Although there are certainly challenges to achieving inclusive growth in Uzbekistan, the efforts of the government and the support of international organizations have been an important pillar. By continuing to focus on education and labour market reforms and working with partners to promote inclusive economic development, Uzbekistan can build a more inclusive economy that benefits all members of society. Uzbekistan has the potential for rapid and inclusive growth. Part of the solution is education and labour market reforms that close the skills gap.

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<sup>1</sup> [Uzbekistan's Reforms: A New Equation for Inclusive Growth and Cooperation \(imf.org\)](#)

The first iteration of the Inclusive Growth Index consisted of three pillars, i.e., economy, living conditions and equality, and consisted of 21 indicators, including one environmental indicator (CO2 - carbon dioxide). The new, expanded Inclusive Growth Index takes a broader view of gender inequality and includes a new, separate column dedicated to environmental issues. Expanded Inclusive Growth Index: consists of 4 categories and 27 indicators.

Figures on the indicators of the Inclusive Growth Index of the Republic of Uzbekistan have been developed below:

Table 1 (independent work by the author)

Categories	№	Indicators	Figures
<b>ECONOMY</b>	1.1	GDP per capita	8 476(2021) <sup>2</sup>
	1.2	Adjusted net national income per capita	1 375(2020) <sup>3</sup>
	1.3	Labour productivity, USD/person (GDP per person employed)	5 017(2022) <sup>4</sup>
	1.4	Employment rate (ratio to labour force), 15+, total (%) (modeled estimate)	0.70 (2022) <sup>5</sup>
	1.5	Electric power consumption, kWh/person	1 674(2021) <sup>6</sup>
	1.6	Exports of goods and services (% of GDP)	23.74(2021) <sup>7</sup>
<b>LIVING CONDITIONS</b>	2.1	Logistics performance index: Overall (1=low to 5=high)	2.6(2023) <sup>8</sup>
	2.2	Fixed Internet broadband subscriptions per 100 people, units	19.96(2021) <sup>9</sup>
	2.3	Under five mortality rate (deaths per 1.000 live births)	14.22(2021) <sup>10</sup>
	2.4	People using safely managed drinking water services (% of population)	n/a

<sup>2</sup> GDP, PPP (current international \$) - Uzbekistan | Data (worldbank.org)

<sup>3</sup> Uzbekistan - Adjusted Net National Income - 2023 Data 2024 Forecast 1998-2020 Historical (tradingeconomics.com)

<sup>4</sup> In the absence of direct information, it was calculated by the author based on the data of the World Bank and the International Labor Organization.

<sup>5</sup> Calculated by the author based on the data of 'stat.uz' and 'xabar.uz'

<sup>6</sup> O'zbekistonda elektr energiya ishlab chiqarish (stat.uz)

<sup>7</sup> Uzbekistan - Exports Of Goods And Services (% Of GDP) - 2023 Data 2024 Forecast 1990-2021 Historical (tradingeconomics.com)

<sup>8</sup> The Logistics Performance Index and Its Indicators 2023 (LPI 2023 report, World bank), page 8

<sup>9</sup> Fixed broadband subscriptions (per 100 people) - Uzbekistan | Data (worldbank.org)

<sup>10</sup> Calculated by the author based on the data of 'Data.unicef.org, Child mortality estimates. Country-specific Under five deaths (UN IGME) in 2023' and '2022 revision of the United Nations World Population Prospects report'

	2.5	School enrollment, secondary (% gross)	97.42(2019) <sup>11</sup>
	2.6	Coverage of essential health services	67(2019) <sup>12</sup>
	2.7	Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider	44.13(2021) <sup>13</sup>
	3.1	Income concentration ratio (GINI index), units	54.5(2019) <sup>14</sup>
	3.2	Poverty headcount ratio at 5.50 USD a day (2011 PPP) (% of population)	75.14(2019) <sup>15</sup>
	3.3	School enrollment, secondary (gross), gender parity index (GPI)	n/a
<b>EQUALITY</b>	3.4	Ratio of female to male employment rate (modeled ILO estimate)	175(2021) <sup>16</sup>
	3.5	Ratio of youth to adult employment rate (modeled ILO estimate)	n/a
	3.6	Gender parity in the number of seats held by women and men in national parliaments	32.7(2021) <sup>17</sup>
	3.7	Ratio of female to male labour force participation rate (%) (ILO modeled estimate)	63.31(2021) <sup>18</sup>
	3.8	Ratio of female age of first marriage to male age of first marriage	0.75 <sup>19</sup>

<sup>11</sup> [Uzbekistan - School enrollment, secondary \(% gross\) \(indexmundi.com\)](https://dataindexmundi.com/uzbekistan-school-enrollment-secondary-gross/)

<sup>12</sup> [Primary data availability for UHC Service Coverage Index \(SDG 3.8.1\) \(%\) \(who.int\)](https://www.who.int/data-visualization/primary-data-availability-for-uhc-service-coverage-index-sdg-3.8.1)

<sup>13</sup> [Account ownership at a financial institution or with a mobile-money-service provider \(% of population ages 15+\) | Data \(worldbank.org\)](https://data.worldbank.org/SH.UV.SRVSVS?locations=UZ)

<sup>14</sup> [Uzbekistan's Inequality Levels | 2022 | Economic Data | World Economics](https://www.world-economics.com/uzbekistan-inequality-levels-2022/)

<sup>15</sup> [List of sovereign states by percentage of population living in poverty - Wikipedia](https://en.wikipedia.org/wiki/List_of_sovereign_states_by_percentage_of_population_living_in_poverty)

<sup>16</sup> [Uzbekistan - Ratio Of Female To Male Labor Participation Rate - 2023 Data 2024 Forecast 1990-2021 Historical \(tradingeconomics.com\)](https://tradingeconomics.com/uzbekistan/ratio-of-female-to-male-labor-participation-rate)

<sup>17</sup> [Country Fact Sheet | UN Women Data Hub](https://data.unwomen.org/country-fact-sheet)

<sup>18</sup> Modeled ILO estimate

<sup>19</sup> Calculated by the author based on the data of 'UNDP' and 'Wikipedia'

	3.9	Ratio of the share of wage and salaried workers in women's employment to men's employment	n/a
	3.10	Share of women's service employment to total employment, raised to the power of the inverse of the Palma ratio	n/a
<b>ENVIRONMENT</b>	4.1	CO2 emissions (kg per PPP USD of GDP)	0.43(2021) <sup>20</sup>
	4.2	Energy intensity level of primary energy (MJ/\$2017 PPP GDP)	n/a
	4.3	Efficiency of water use (water productivity)	16.52(2020) <sup>21</sup>
	4.4	Terrestrial protected areas (% of total land area)	5.77(2021) <sup>22</sup>

## Conclusion

Uzbekistan is embarking on major reforms to achieve inclusive growth and reduce poverty, and the country is making significant progress in economic liberalization, improving the business environment, investing in human capital, and expanding regional cooperation. However, many problems remain, such as increasing the volume of quality investments, maintaining economic and financial stability, and fighting corruption. To overcome these problems, Uzbekistan must continue to implement rational policies that develop the private sector, promote trade and integration, protect the environment, and ensure social inclusion. Through this, Uzbekistan can fully realize its potential as a centre of innovation and prosperity in Central Asia.

The need to transition to a green economy in Uzbekistan is because most of the energy consumed in the national economy is produced using non-renewable natural resources, the limited supply of these resources, environmental pollution due to the rapid development of industry, water shortage, and the drying up of the Aral Sea. The increasing severity of related environmental problems explains it.

Inclusive growth stimulates regional development, achieving social stability, and increasing economic potential through the creation of new jobs in green economy sectors. At the same time, it reduces the risk of global threats such as ensuring environmental protection, climate change, loss of minerals and scarcity of water resources. But if we look at the entire world's development, its generality is revealed, that is, when the world civilization has gathered strength and reached the highest point of its power, unless all the countries of the world choose an ecologically oriented model for economic development, globalization under these conditions, there is a danger that the entire planet will gradually decline and even disappear altogether.

<sup>20</sup> Calculated by the author based on the data of '[Uzbekistan CO2 emissions, 1970-2022 - knoema.com](https://knoema.com)' and 'World Bank'

<sup>21</sup> Water Use Efficiency (dataset 2022) – FAO (Food and Agriculture Organization)

<sup>22</sup> [Uzbekistan - Terrestrial protected areas \(% of total land area\) \(indexmundi.com\)](https://indexmundi.com)

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