



Assessment Of the Territorial Balance of Industry ()

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Abstract: By factor of concentration of production

Key words: trade, diversification, risk, research, economy, industry, production, rating, index.

Conduct

World experience shows that sustainable and balanced development of regions is the main driving factor in increasing the country's competitiveness. In this regard, the territorial policy of Uzbekistan is aimed at ensuring the balanced development of industry, providing for qualitative transformation and structural transformation, reducing the unevenness of spatial development and interregional disproportions.

According to the theories of spatial placement and international trade (Imbs and Warciag, 2003; ¹Cadot et al. , 2011; ²Bahar and Santos, 2017) as factors of transformation of the economy are considered the concentration and diversification of production. It is argued that countries with lower concentrations (Herfindahl-Hirschman concentration index), i.e. more diversified, tend to be more resilient to internal and external risks.³

The formulation of the studied subject is due to the need to assess the level of diversification and self-sufficiency of the economy of individual regions. In this regard , a study was conducted to assess the territorial balance of the industry of Uzbekistan by the factor of concentration of production (ICP).

The ICP serves as one of the methods for determining the features of the territorial location of a particular industry (type of economic activity) and shows the degree of interregional disproportions in production.

Research Method

To assess the ICP for the main industries, the Herfindahl-Hirschman index was used, which characterizes the degree of distribution of production by regions of the country. The higher the index value, the higher the level of concentration in a certain region - the discrepancy of the

¹ Imbs Jean and Wacziarg Romain "Stages of Diversification" Center for Economic Policy Research (London, UK) Working Paper no. 2003. http://www.jeanimbs.com/papers2_files/Stages.pdf

² Olive tree Cadot, Céline Carrere, Vanessa Strauss-Khan. Export Diversification: What's behind the Hump? 2011. ffhalshs-00553597f. <https://halshs.archives-ouvertes.fr/halshs-00553597/document>

³ One More Resource Curse: Dutch Disease and Export Concentration Dany Spring and Miguel A. Santos CID Research Fellow and Graduate Student Working Paper No. 68 May 2016 (Revised Dec. 2017).

https://growthlab.cid.harvard.edu/files/growthlab/files/bahar_santos_cidwp68.pdf



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territorial structure; the approximation of the index value to zero is the identity of the territorial structure.

The ICP has a value in the range from 0 to 1 and is interpreted as follows: $0.0 \leq ICP \leq 0.300$ - uniform distribution of production by region; $0.300 < ICP \leq 0.650$ - the average level of location of production by region; $0.650 < ICP \leq 1.000$ - non-equal placement of production by region.

This method is used by such leading scientists-economists as K. Aiginger, E. Rossi-Hansberg, E. Marelli, J. Imbs, A. Belov and others.

Outcomes

According to the results of the study, it was revealed that the industry of Uzbekistan in terms of territorial structure has a positive tendency to reduce the concentration of production, i.e. relatively even distribution of production by region.

At the end of 2021, a relatively uniform distribution of production by region is noted in the production of textiles, clothing, food, furniture, building materials, chemical products, i.e. mainly for consumer goods that have a wide demand of the population.

The assessment of the territorial balance of the industry of Uzbekistan by the factor of concentration of production (ICP) is carried out on the basis of annual data, which makes it possible to diagnose the development of industry in the regions, to identify imbalances and asymmetries in production, interregional differences, and on this basis to develop additional measures.

Table

Rating of industries by territorial concentration of production for 2021

Type of economic activity	ICP	Trend of change for 2017-2021
Uniform distribution of production by region		
Production of textile products	0,038	Positive
Food production	0,066	Negative
Production furniture	0,105	Positive
Production of non-metallic mineral products	0,110	Positive
Electric power supply	0,114	Positive
Clothing production	0,128	Negative
Production of leather products	0,217	Negative
Production of chemical products	0,224	Positive
More or less uniform distribution of production by region		
Manufacture of rubber and plastic products	0,304	Positive
Production of paper products	0,410	Positive
Beverage production	0,441	Negative
Metallurgical industry	0,486	Negative
Production of motor vehicles	0,516	Positive
Repair and installation of machinery and equipment	0,584	Positive
Electrical Equipment Products	0,595	Positive



Uneven distribution of production by region		
Production of coke and refined petroleum products	0,675	Negative
Production of pharmaceutical products	0,723	Negative
Production of computers, electronic products	0,743	Negative
Print and playback of recorded materials	0,782	Positive
Mining of metal ores	0,811	Negative
Manufacture of tobacco products	0,823	Positive
Coal and lignite mining	0,899	Positive
Crude oil and natural gas production	0,915	Negative

The information base for the assessment of the ICP is the data of the State Statistics Committee of the Republic of Uzbekistan, including the volume of industrial production by type of economic activity (OKED) in the context of the Republic of Karakalpakstan, 12 regions and the city of Tashkent.

At the end of 2021, the assessment of the territorial balance of the industry of Uzbekistan shows that by the factor of concentration of production (ICP):

- a low concentration index occurs in the production of food, textiles, clothing, leather products, furniture, building materials, chemical products, energy supply, where there is a relatively uniform distribution of production by region (ICP = 0.038-0.224);

- A more or less uniform territorial distribution is observed in the production of rubber and plastic products, paper, motor vehicles, electrical equipment, metallurgical industry (ICP = 0.304-0.595), i.e. mainly in the production of medium-tech products;

- a high concentration index in the production of coke and petroleum products, pharmaceutical products, computers, electronic products, as well as the extractive industry (extraction of crude oil and natural gas, metal ores, coal) (ICP = 0.675-0.915) indicates an uneven territorial distribution;

- over the past 5 years (2017-2021), positive changes in the territorial location are most noticeable in the production of rubber and plastic products, furniture, motor vehicles, chemical, paper products (a decrease in the ICP by 0.05-0.3 points).

Conclusions and proposals

In general, the results of the study show the need to develop and implement measures to diversify (deconcentrate) regional production of industrial products by certain types of production, which is associated with the greatest efficiency in ensuring the sustainable development of the regions by reducing the raw material dependence of the economy of the territories, as well as achieving the economic benefits of the territories due to the multiplicative effect.

List of references

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3. ¹ One More Resource Curse: Dutch Disease and Export Concentration Dany Bahar and Miguel A. Santos CID Research Fellow and Graduate Student Working Paper No. 68 May 2016 (Revised Dec. 2017). https://growthlab.cid.harvard.edu/files/growthlab/files/bahar_santos_cidwp68.pdf