

**SCIENTIFIC AND METHODOLOGICAL FOUNDATIONS FOR ASSESSING THE
LEVEL OF SUSTAINABLE DEVELOPMENT OF REGIONS.**

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Abstract: This article analyzes the scientific and methodological foundations for assessing the level of sustainable development in regions and identifies areas for improvement.

Key words: region, regional economy, sustainability, economic potential, environmental sustainability, social development, economic growth, sustainable development.

Introduction:

A country's level of socioeconomic development, its development strategy, the sustainability of economic growth trends, and competitiveness are directly linked to the socioeconomic development potential of its regions and their state of development. Economic literature offers various definitions of the economic category "region," which are assessed depending on the object and subject of the research. When assessing a country's economic competitiveness, it is necessary to systematically analyze its regional aspects. This systemic analysis should address the role and significance of regions in achieving the country's socioeconomic development indicators.

Relevance of the problem

Global economic growth has been declining in recent years due to various global socioeconomic, natural, environmental, and political crises. According to United Nations (UN) forecasts, global economic growth will be 2.4% in 2024, 2.7% lower than in 2023. Furthermore, experts believe that high interest rates, escalating conflicts between countries, negative impacts on international trade, and worsening global climate conditions will lead to a decline in global growth in the near future [1]. This, in turn, reinforces the need to improve sustainable development mechanisms by increasing the efficient use of regional economic potential.

In the context of innovative Uzbekistan, “ensuring the well-being of the population through sustainable economic growth ”[2], “ by 2030, double the size of the economy and join the ranks of countries with upper-middle income ”[3] The priority in reforms is aimed at achieving goals such as “active development of industries based on high technologies, attracting private investment in industry to expand the production of competitive finished products, increasing the income of the population through the creation of new production capacities in the regions, as well as the introduction of advanced international management standards in large industries”[4]. This, in turn, increases the importance of scientific and practical aspects of improving the scientific and methodological foundations for the implementation of the mechanism of sustainable development through the effective use of the economic potential of the regions, as indicated in the tasks such as “effective use of the local raw material base and the development of industry based on advanced technologies, the development of key industries, and the full use of the industrial potential of the regions”[3].

Statement of the problem

The composition of the economic potential of regions, its formation and influence of factors, as well as theoretical and conceptual aspects of improving the strategy of sustainable development based on the use of the region's potential are reflected in the scientific research of such famous

foreign economists as V. Kritaller , A. Eikelpas , R. Huggins , A.L. Reading , L. Chunguang , J.G. Thunen .

Among the scientists from neighboring countries, the issues of assessing the economic potential of regions in the context of the formation of a market economy, priority areas for its use and improving the practice of implementing regional policy aimed at sustainable development were studied by V.S. Bilchak , I.V. Arzhenovsky , N.K. Abdilbaeva , E.N. Zakharova, S.M. Vdovin, E.G. Mukhina, M.N. Kondrateva and others.

The methodological foundations of sustainable development of regions, increasing their investment potential, improving the competitiveness of regions, placing interregional production forces and regulating the economic system of the region are reflected in the scientific research of such local economists as T.M. Akhmedov, M. Abdusalyamov , G.Yu. Khodjamuratova , M.A. Sadikov, F.T. Egamberdiev , Yu. Mukhammedov, I.O. Kayumova , Sh.Kh. Nazarov, U.A. Madrakhimov , I.S. Abdullaev, B.B. Valiev.

The aforementioned scientific studies examined the theoretical and scientific foundations for the use of the region's economic potential; however, issues of improving the directions for using this potential in the process of improving the mechanism for sustainable development of the region have not yet been systematically studied as a separate object of scientific research.

Research methods.

In the course of the research, the methods of grouping, systems approach, theoretical and practical analysis, induction and deduction, as well as methods of analysis and synthesis, and comparative analysis were used.

Analysis and results

An analysis of the theory behind assessing the sustainable development indicators of a country or region reveals that this process is quite complex and characterized by the broad and multifaceted nature of the concept of sustainable economic development. Specifically, when assessing the level of sustainable development in regions, it is necessary to conduct a comparative analysis of factors such as economic, social, political, geographic, cultural, and other indicators that influence this process.

Table 1

Methods for assessing the level of competitiveness include the following main types [7]

Assessment methodology	Directions for assessing competitiveness.	
	Through comparative analysis of regions	By calculating the competitiveness index
Mamlakat yoki mintakaning umumiy rakobatbardoshligini baholash		
Assessment of the global level of sustainable economic development	Based on the World Bank's competitiveness indicators	- index of economic growth, level of entrepreneurship and international competitiveness; - international competitiveness index.
Assessing competitiveness at the country or regional level	Based on UK competitiveness indicators	- European Competitiveness Index; - UK Competitiveness Index.
Partial (some aspects) assessment of the competitiveness of a country or region		

Assessing competitiveness economic sectors	the of M. Based on Porter's National Diamond Model	<ul style="list-style-type: none"> - Milken Institute International Capital Access Index; - European Convergence Index of DEK Bank; - ERVO Science, Technology and Industrialization Rating System
Competitiveness assessment by indicators	Price and non-price indicators of competitiveness	<ul style="list-style-type: none"> - region attractiveness index (Pice, Water, House, Coopers); - scientifically based index of economic development.
Assessing the impact of economic policy on the level of competitiveness	Freedom House's ranking of countries' levels of economic freedom	<ul style="list-style-type: none"> - Index of Economic Freedom (Heritage Foundation); - International Index of Economic Freedom (Fraser Institute); - International Corruption Perception and Transparency Index

Most economists, including experts from international organizations, use a systems approach in research conducted to determine the level of sustainable development of countries, including their regions, and its further development.

**Table 2
Methodologies of international organizations for assessing the level of sustainable development[5]**

Evaluation method	Characteristic
European Commission method	The benchmarking method is widely used to compare the economic development indicators of regions with those of their competitors. The following system of indicators is used: economic, socio-demographic, educational, and labor market.
Methodology of the Eurasian Institute	Therefore, when assessing the level of regional sustainable development, long-term sustainable development strategies and business partnerships in the country are taken into account alongside the indicators reflecting it. More than 10 mutually compatible indicators are selected and compared with those of competitors.
Model of the International Economic Forum	It is considered one of the widely used methods for assessing and analyzing the level of sustainable development of countries and regions, and more than 50 indicators are used to assess this indicator.

In practice, a system of homogeneous indicators is widely used to develop indicators for monitoring the development of a country, region, and its subregions. Numerous studies conducted in the economic literature, depending on their goals, objectives, object, and subject

matter, can use both macro- and micro-level assessment methods to evaluate the level of sustainable development of a country and its regions.

A systematic assessment of the sustainable development level of a country's regions analyzes the region's economic, political, social, and other indicators. In particular, competitiveness indicators are widely used to identify specific aspects of a region's economic development or characteristics that distinguish it from other regions. This assessment practice is typically used to compare countries or to assess the sustainable development level of a country's domestic economic sectors (see Table 1).

In studies conducted by experts from international organizations, the methods of the European Commission, the Eurasian Institute and the International Economic Forum for assessing the level of sustainable development of a country, including its economic regions, differ from each other (see Table 2).

By assessing the regional aspects of the indicators of sustainable development of the national economy based on the principles presented in Figure 1, it will be possible to study them systematically and comprehensively.

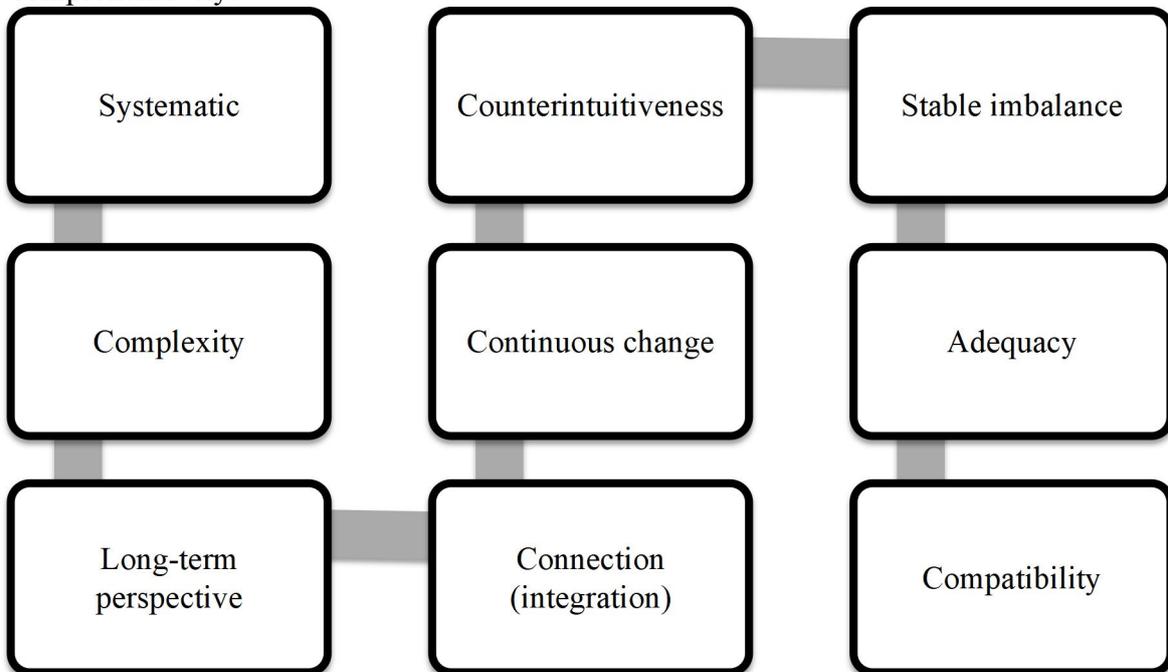


Figure 1. Principles for assessing indicators of sustainable development of regions of the country [7]

The content of the principles presented in Figure 1 is described as follows:[7]

- Based on the principle of systemicity, the economic development of the region under study is analyzed, including the interrelationship of the elements that constitute its competitive advantage. Commercial and non-profit organizations of the region; based on mutual socio-economic relations between state bodies, regional authorities, local governments and other similar organizations;
- The state of the socio-economic development of the region, including internal and external factors influencing it, is assessed on the basis of the principle of comprehensiveness;
- the principle of long-term development: when assessing a region's level of sustainable development, it is necessary to consider the region's current strategic long-term development goals. For example, some regions specialize in agricultural development, while others are industrial. In regions specializing in agriculture, the development of the agro-industrial complex

and programs aimed at stimulating the activity of agro-clusters are of strategic importance for the region, but in regions specializing in industry, the opposite situation may be observed ;

- The principle of comprehensiveness (integration) determines the indicators of economic development of the country's regions, their specific features as an integral part of the sustainable development of the national economy, reflecting individual aspects of the country's socio-economic sustainable development:

- The principle of continuous change is used to determine how long or over what period the indicators of sustainable development will be relevant, taking into account the continuous development of socio-economic relations;

- The principle of counterintuitiveness – concerns complex situations when assessing the sustainability of an economic region's development indicators, including determining its relative and comparative advantages over competing regions and their scientific justification. In economic literature, such cases can be identified using Forrester's systems approach, which is rarely used due to the comparatively complex and difficult to identify and calculate indicators.

- Based on the principle of sustainable disproportion, the relationship between the level of sustainable development of the region under study and the dynamic development of its characteristic indicators is assessed;

- the principle of sufficiency - it is assumed that when assessing the indicator of sustainable development of an economic region, indicators that allow one to assess the level of its competitiveness should also be covered;

- The principle of relevance - this principle is used in conjunction with the principle of sufficiency and should reveal the specifics of all socio-economic indicators of the region under study in accordance with its level of development.

When analyzing the sustainable development indicators of a given region, it is important to determine its position and competitive advantages. Most scientific studies, when assessing the competitiveness of a country or region, systematically analyze indicators such as natural resource endowment, production potential, the status and composition of the labor force, investment attractiveness, innovation potential, and the state of development of market infrastructure and social services (see Figure 2).

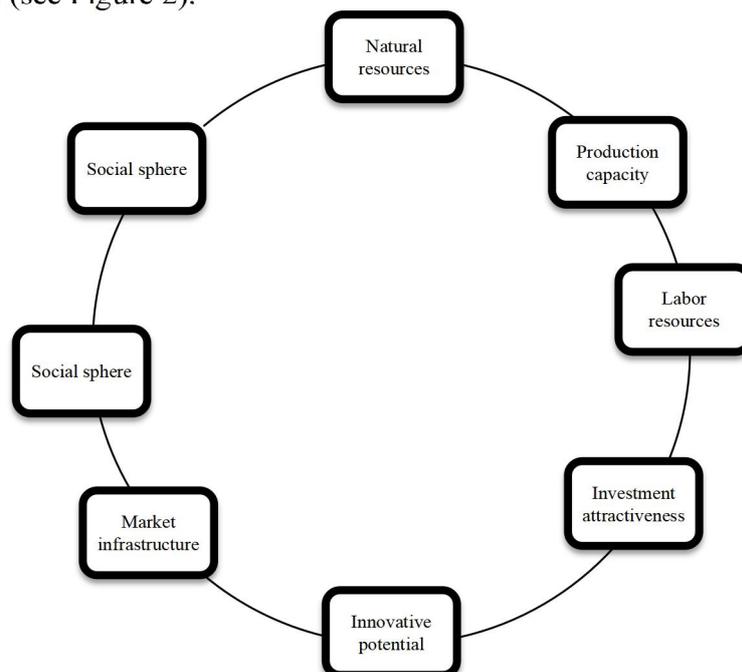


Figure 2. System of indicators for determining the state of competitiveness used in the analysis of the level of sustainable development of regions[6]

Based on the results of the analyses, the methodology for assessing the level of sustainable development of economic regions is based on the following system of general indicators:

- a system of indicators characterizing the level of economic development of a region;
- a system of indicators characterizing the investment attractiveness of a region;
- a system of indicators of the region's competitive advantage;
- a system of indicators reflecting regional efficiency;
- a system of indicators characterizing the standard and quality of life of the population, etc.

To date, a universally accepted, unified methodology for assessing the level of sustainable development in regions has not yet been fully developed. Furthermore, an analysis of existing assessment practices shows that most of them focus on the economic assessment of sustainable development, ignoring quality of life, population well-being, and changes in social life.

Conclusions and suggestions

Based on global practices for assessing the level of sustainable development in regions, we propose a national methodology for assessing the level of sustainable development in the republic's regions, taking into account national characteristics, for creative use in our country (see Figure 3). This methodology is based on the following indicators:

- indicators of the level of economic development of the region (gross regional product per capita, volume of industrial production per capita, volume of agricultural production per capita, volume of export of goods and services per capita, labor productivity, etc.) ;

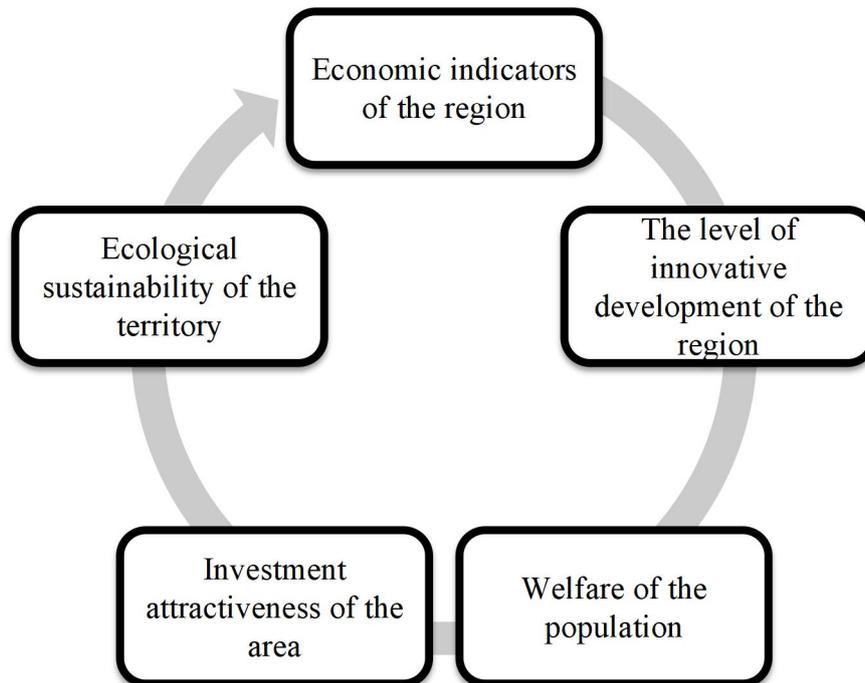


Figure 3. The system of five indicators for assessing the level of sustainable development of regions¹

- the level of innovative development of the region (the number of enterprises implementing innovative projects in their activities, the number of innovative projects being developed, the

¹Author's development

innovative potential of economic entities, indicators of the effectiveness of innovative costs of economic entities, etc.)

- indicators of the well-being of the population (the level of employment of the population in the region, the average wage per capita, the level of employment of the population, the share of the population with incomes above the subsistence minimum in the region, the level of use of paid services per capita, the housing conditions of the population, the average life expectancy of the population, etc.);

- an indicator of investment attractiveness (volume of investments per capita, financial result per capita, share of income from investment activities, etc.);

- environmental sustainability of the region (efficient use of natural resources, provision of the population with natural gas and clean drinking water, use of green technologies in economic sectors, etc.)

In our opinion, the results obtained from assessing these indicators can be considered unreliable due to the fact that economic development in our country currently lags behind innovation, and there are various gaps in the practical implementation of scientific advances. Therefore, we believe it is appropriate to use the five-group indicator system presented above (see Figure 3) to assess the level of sustainable development in the republic's regions.

In conclusion, it can be said that the system of five indicators for assessing the level of sustainable development of regions allows:

- to evaluate the effectiveness of state programs aimed at the sustainable development of the regions of our republic;
- analyze indicators of sustainable development of regions;
- identify existing problems and shortcomings through comparative analysis;
- promptly resolve these problems;
- and also achieve set goals in the shortest possible time.

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