

RESEARCH ARTICLE

Uzbekistan's Position Among Developing Countries and The Prospects for Socio-Economic Development

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Abstract

This article provides a scientific and theoretical analysis of the position of the Republic of Uzbekistan among developing countries, the specific features of its socio-economic development, the reforms being implemented, and prospective directions for future development. The study pays particular attention to the country's economic growth rates, institutional reforms, investment climate, industrialization processes, and issues related to human capital development. It also examines the challenges faced by Uzbekistan as a developing country in the context of globalization and explores ways to address them. The article is based on the methodology of international scientific research and employs analytical and comparative approaches.

KEYWORDS

Uzbekistan, developing countries, economic growth, reforms, investment climate, globalization, human capital.

INTRODUCTION

At the beginning of the 21st century, the role of developing countries in the global economic system has been steadily increasing. These countries have become important drivers of global economic growth, actively participating in international trade, investment, and innovation flows. Since gaining independence, the Republic of Uzbekistan has also secured a significant position among developing countries and is gradually pursuing a path of stable economic development.

Uzbekistan's development model is based on the integration of national characteristics, historical experience, and modern market mechanisms. In recent years, extensive economic and institutional reforms have enhanced the country's international standing and strengthened its competitiveness among developing nations. Therefore, a scientific analysis of Uzbekistan's position and prospects as a developing country is

of considerable relevance.

The Concept of Developing Countries and the Relevance of Their Key Characteristics

Developing countries are those whose level of economic development is lower compared to developed countries, yet they are actively pursuing industrialization, economic diversification, and social progress. The key characteristics typical of such countries include the following:

- growing GDP, but relatively low per capita income;
- A high share of agriculture and the raw materials sector in the economy;
- A strong drive to rapidly develop the industrial and services sectors.
- high population growth rate;

- the presence of a need for institutional reforms.

Uzbekistan possesses most of these characteristics and is considered a developing country. At the same time, the country's economic and social development rates allow it to be among the advanced countries in this group.

In modern economic literature, the concept of "developing countries" is widely used, meaning countries whose level of economic and social development is lower than that of developed countries, but which are experiencing a process of sustainable growth and modernization. These countries are an important component of the global economic system, form a significant share of world gross domestic product and are increasingly participating in international trade and investment flows.

Developing countries are shaped primarily by historical, institutional, and economic factors, and their development models are not uniform. However, there are common features that unite them in scientific sources. First of all, these countries have relatively low per capita incomes and are in the process of stabilizing their economic growth rates. At the same time, the share of the agricultural and raw materials sectors in the GDP is high, and the industry and services sectors are gradually developing.

Another important aspect characteristic of developing countries is their high demographic growth and labor resource potential. Due to the high age structure of the population, the labor market in such countries has wide opportunities, but ensuring employment and increasing labor productivity is an urgent problem. The insufficient development of the education and vocational training system can hinder the effective use of human capital.

Also, the process of improving the institutional system in developing countries continues. Improving the efficiency of public administration, strengthening the legal framework and developing market mechanisms are among the main tasks facing these countries. If these processes are successfully implemented, economic growth will become sustainable and the level of social well-being will increase.

In the context of globalization, developing countries are seeking to accelerate economic development by taking an important place in the international division of labor, through export-oriented production and attracting foreign investment. At the same time, high dependence on foreign markets

increases sensitivity to global economic crises and price fluctuations.

In general, developing countries are at a difficult but promising stage of economic and social development. Their success largely depends on effective economic policies, institutional reforms, and strategies aimed at developing human capital.

Main stages of economic development of Uzbekistan: Uzbekistan has gone through several important stages of economic development since gaining independence. At the initial stage, the main attention was paid to ensuring economic stability, curbing inflation, and forming a national economic system.

In the next stage, industrialization, modernization of agriculture, and increasing export potential became priorities. In particular, measures taken in recent years to liberalize the foreign exchange market, reform the tax system, and improve the business environment have created a solid foundation for economic growth.

Uzbekistan's position among developing countries. Uzbekistan stands out in the Central Asian region with its economic potential, natural resources and human capital. The country is considered a large market in the region and also has an important strategic position in terms of transport and logistics potential.

Among developing countries, Uzbekistan stands out in the following aspects:

- relatively stable rates of economic growth;
- balance between industry and agriculture
- systematic support of reforms by the state;
- greater attention to social sectors, particularly education and healthcare.

Investment climate and foreign economic relations, for developing countries, are an important factor in economic development. Uzbekistan has made significant progress in recent years in improving the investment climate. The improvement of the legislative framework, guaranteeing the rights of foreign investors, and the establishment of free economic zones are clear examples of this.

The expansion of foreign trade relations also strengthens Uzbekistan's position as a developing country. Diversification

of the export structure contributes to increasing the country's economic stability. The largest share of Uzbekistan's foreign trade turnover is accounted for by China (19.7 percent), Russia (15.9 percent), Kazakhstan (5.9 percent), Turkey (3.7 percent) and the Republic of Korea (2.2 percent).

Human capital and social development are crucial for the development of countries. Uzbekistan is consistently working to reform the education system, expand the coverage of higher education, and increase investment in the development of science.

Programs to modernize the healthcare system, strengthen social protection mechanisms, and reduce poverty are also contributing to the country's sustainable development.

Problems and Development Prospects At the same time, Uzbekistan, as a developing country, faces a number of problems. These include insufficient economic diversification, disparities in regional development, and exposure to global economic risks. In the future, the development of an innovative economy, the introduction of digital technologies, and the strengthening of the role of the private sector will be of great importance to overcome these problems.

Institutional reforms and the effectiveness of public administration, as well as the sustainable development of developing countries, largely depend on the effectiveness of the public administration system. In recent years, Uzbekistan has been implementing institutional reforms aimed at modernizing public administration, reducing bureaucratic barriers and ensuring openness. The introduction of the "e-government" system simplifies the process of using public services and reduces the risk of corruption.

Reforming the judicial system, ensuring the inviolability of property rights, and strengthening contractual relations are also important factors in improving the investment climate. These reforms are positioning Uzbekistan as an institutionally reliable partner among developing countries.

Industrialization and economic diversification processes are one of the main sources of economic growth for developing countries. The development of the processing industry and the expansion of the production of high-value-added products have been identified as a priority task in Uzbekistan. Major projects are being implemented in the automotive, chemical, textile and construction materials sectors. This reduces dependence on raw material exports and increases the

stability of the national economy. Economic diversification processes are shaping Uzbekistan as a country with high industrial potential among developing countries.

Digital economy and innovative development The experience of modern developing countries shows that the digital economy and innovation are becoming an important factor in economic development. Uzbekistan is pursuing a consistent policy to develop information and communication technologies, support the startup ecosystem, and widely introduce digital services.

Within the framework of the "Digital Uzbekistan – 2030" strategy, digital solutions are being implemented in the fields of public administration, banking and finance, and education. These processes increase labor productivity and strengthen competitiveness in international markets. Sustainable development and environmental factors: Along with economic growth, ensuring environmental sustainability is an urgent issue for developing countries. In Uzbekistan, special attention is paid to environmental protection, rational use of water resources, and the development of renewable energy sources.

The implementation of solar and wind energy projects is accelerating the country's transition to a "green economy". This will help Uzbekistan become recognized as a country adhering to the principles of sustainable development among developing countries. Uzbekistan's position in international ratings and indices. International ratings and indices are important in assessing the economic and institutional situation of developing countries. In recent years, Uzbekistan has been significantly improving its position in indices compiled by the World Bank, the UN and other international organizations.

In particular, the growth of indicators related to ease of doing business, the investment environment, and human capital development confirms the effectiveness of the reforms being carried out in the country.

CONCLUSION

In conclusion, Uzbekistan is on the path of sustainable economic growth and social progress among developing countries. The reforms being implemented are strengthening the country's position in the global economy and bringing it to an advanced position among developing countries. The consistent implementation of long-term strategic goals will lay the foundation for Uzbekistan to join the ranks of high-income countries in the future.

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