International Journal of Studies in Advanced Education
Volume 03, Issue 2, February, 2024
ISSN (E): 2949-8945
Scholarsdigest.org

PECULIARITIES OF DEVELOPMENT OF COUNTRIES WITH ECONOMIES IN TRANSITION

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Abstract
Countries with economies in transition represent a unique group of states that have undergone or continue to undergo the process of transition from a planned economy to a market economy. The article examines this transition, which is often accompanied by significant economic and social challenges, and countries in this position face a number of challenges in their development.

Keywords: transition economy, liberalization, restructuring, integration, investment, privatization.

INTRODUCTION

A period of transition is a period of profound change in the system of institutions. Some institutions of the command economy cease to exist (shadow economy), others are transformed into market economies (wages), and still others emerge for the first time (competition). The socio-economic development of society is inevitably associated with the transition of the economy from one state to another. The special qualitative nature of transition processes lies in the fact that they are not primarily processes of functioning, but of economic development.

During the transition period, profound transformations take place in all spheres of society: in the economy, in the political and state-administrative structure, in the social sphere, in ideology, in domestic and foreign policy. In this series, economic transformation occupies a central place, since the successes and failures of economic reforms largely determine the socio-political situation as a whole. In economic transformation, the main role is played by the so-called institutional transformations, i.e., the reform of property and relations between economic entities. In addition, state regulation of the sphere of relations between economic entities is limited. For example, taxation and government spending between firms and banks are reduced, providing incentives for economic development and capitalization of income.

The directions of economic reforms in the transition economy are: the creation of a market infrastructure, liberalization of prices, privatization of state-owned enterprises and demonopolization.

Liberalization and privatization: One of the main features of the transition to a market economy is the need for liberalization and privatization of state-owned enterprises. This can lead to the emergence of new private companies, increased competition and increased production efficiency, but it can also cause social and economic upheaval.

In retrospect, privatization should have progressed gradually as a new type of corporate governance took hold. It would be necessary to preserve some of the state-owned enterprises for some time. This is the path that China has chosen for itself, which has not curtailed state ownership globally, but has developed alternative private production. State-owned enterprises in China gradually entered the market, expanding their independence in determining the level of prices, the range of products, and the disposal of most of the profits.

In countries where the institutional conditions for reforming the economy were more advanced, it was possible to get out of the investment vacuum more quickly. In the rest, the deformation processes of the clan, shadow and criminal economies have intensified.

Financial sector development: Transition economies are often faced with the need to develop their financial systems to provide access to credit, investment and other financial services. This is important to support the growth of entrepreneurship and investment.

Restructuring of social systems: Many countries with economies in transition are faced with the need to restructure their social systems, including health, education and social protection systems. This is due to the changing role of the state in the economy and society.

Attracting foreign investment: In order to provide the necessary capital and technology, many transition economies are actively attracting foreign investment. This can contribute to the development of new sectors of the economy and create jobs, but it can also raise concerns about the loss of control over key industries.

Change management: The transition to a market economy requires significant changes in the economy, governance, and society. In this regard, there is a need for change management to ensure a smooth transition and minimize negative impacts on the population.

Integration into the world economy: Many countries with economies in transition seek to integrate into the world economy through participation in international trade, attracting foreign investment and participation in international organizations. This can present both opportunities for development and challenges in the form of competition in the global market.

Economic integration is a factor of growth. European post-communist countries are aware of this when they try to join the economic zone of the European Union. Uzbekistan should continue its efforts in integration processes.

The process of formation and development of a new economic system in the transition period has three levels. First of all, the economy recognizes itself because it is in search of its true face, its identity, which is both in the creative hands of man and eludes him. Secondly, the economic system also reveals the future: by providing an image of the desired economic system of the future, we begin to see the meaning of the present, the meaning of the transition period. Thirdly, the economic system builds its structure, its elements, itself and the world around it, its own environment, which, in turn, influences the world and determines its face.

The transition process in the economic system encompasses its various states. Different states flow and mutually condition each other. The process of the formation of a new economic system multiplies realities, piles them up and presents us with the possibility of choice.

In general, countries with economies in transition face a number of complex tasks and challenges in their development process. However, successfully overcoming these challenges can lead to sustainable growth, an increase in the standard of living of the population and integration into the world economy.

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