



Importance of Economics in Uzbekistan

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ABSTRACT

Economics looks at how governments, businesses, societies, households and individual people make decisions about how, when and where to best use their natural resources. Economics involves many theoretical and conceptual models to study behavior and predict how entities will respond to given changes in market conditions and fiscal policies, among other factors. Economists engage in statistical analysis to study these changes and build predictive and useful economic behavioral models.

Keywords:

Development, Economy, Commerce, Culture

In a nutshell, an economy refers to a region or country’s resources and wealth, especially as it pertains to producing and consuming goods and services.

Economics is important because it helps people understand how a variety of factors work with and against each other to control how resources such as labor and capital get used, and how inflation, supply, demand, interest rates and other factors determine how much you pay for goods and services.

Many variables affect businesses, investments, consumer spending and other financial goings-on in our society. These variables or factors of the economy need to be considered in many types of decision-making because of how they can help predict future outcomes. Common economic factors include interest rates, inflation, taxes, recessions, foreign exchange rates, unemployment and supply and demand.

People often discuss economic factors regarding how they affect businesses, although these very same factors can affect individuals as well. For example, when you try to figure out how much your investment portfolio will be worth in the future, you consider certain factors such as inflation and interest rate growth or decline. If

you own your own business, you might need to consider taxes, labor costs and any government policies that could affect your business operations in the future.

Some economists use a particular methodology to analyze the influence that various macroeconomic factors have on companies. This analysis, known by the acronym PESTLE, involves a specific group of macroeconomic factors: Political, Economic, Social, Technological, Legal and Environmental. These factors all come into play when analyzing the performance and prospects for businesses.

Economists look at various details for each of these factors to understand how these external influencers can bring both pressures and opportunities to a business. Part of the analysis also involves understanding the degree to which each factor affects the business and how it runs its operation.

Politically, the chain could be affected by limitations placed on imports and exports, since many of its items come from overseas. Additionally, any changes in tax law could also affect the company. Economically, many of Anthropologie’s target consumers are relatively affluent, and the store’s business plan, which

involves selling high-priced items, has been effective so far.

The company continues to expand its market, which has been easy because of economic growth and development that still seem to be rising in many places around the globe. Conversely, however, increasing development, including rising labor costs in countries like India which supplies a good deal of the chain's products, could cut into Anthropologie's future profits.

Regarding socio-cultural factors, Anthropologie targets consumers who have an interest in a kind of edgy sophistication, which has done well in today's social media environment of Instagram, Tumblr and Pinterest. These social media channels provide a level of remarketing for Anthropologie, at no cost.

Technological factors affecting the retail chain include the increasing use of social media platforms, which could continue to benefit and shape Anthropologie's future, and the fact that the internet continues to be an integral part of people's daily lives and will fuel additional sales for the stores.

The company could have some issues with legal factors since its parent company Urban Outfitters has allegedly tried to get its employees to work certain hours for no pay. This issue could cause a backlash against Anthropologie as well. Urban Outfitters has also recently been accused of copying or stealing designs from sellers on the handmade-item online sales outlet Etsy.com.

Finally, factors that affect the chain's business success include environmental issues such as cleaning and preserving environmental resources. Anthropologie does not operate in an industry that consumes particularly large amounts of energy, nor does it produce excessive pollution, but this becomes more of an issue for just about every company at some point.

The various factors influencing economics come into play across the board and there are two main branches of this broad discipline – macroeconomics and microeconomics.

Macroeconomics and microeconomics study similar or related subject matter, from two different angles. The split-discipline starts with

beginning college courses and continues all the way through post-graduate work. Economists usually consider themselves either a microeconomist or a macroeconomist.

The big picture is called macroeconomics, which looks at how the overall economy works. In macroeconomics, an economist would study subject matter areas on a large scale or at a high level including employment, inflation and gross domestic product. The subject matter usually involves looking at a nation overall, using what economists call aggregate variables.

The government is a usual topic for macroeconomic analysis, such as how government policy contributes to inflation or deflation and economic growth. Typically, because the U.S. market is linked through trade to foreign markets, international issues also come into play.

Microeconomics, on the other hand, concerns smaller-picture issues and gets down to the details such as supply and demand, and how consumers interact in specific markets as it pertains to goods and services. In microeconomics, a single market such as the automotive or oil industry is usually the subject of analysis or study. The international market factors can also pertain to a single market as well when that market, for example, petroleum, is global.

A knowledge of economics can benefit you in many ways. Studying economics can provide individuals with valuable information that helps them make decisions in their everyday lives. For example, economics offers tools to make decisions about how desirable a financial investment might be or whether it's worth it to go to college or attend graduate school. Economics helps you analyze the costs and benefits of different career choices and how various public policies such as Universal Health Care and raising the minimum wage could affect them.

Learning how to quantify information as economists do also helps consumers become more critical regarding their consumer behavior and gives them a deeper understanding of which private and public issues could affect them in their own lives.

Also, a good grasp of economic factors and issues helps you decipher information from economists about ongoing economic developments. In other words, people gain a deeper understanding of the economics of their city, state and country and related issues that affect their future.

The fundamental problem of economics comes down to scarcity. Societies need to decide how to make the best use of its scarce or limited resources. The needs and desires of the society are infinite, but the available resources to meet those needs and desires are limited.

In economics, the challenge is to understand the limited resources, make choices based on opportunity costs and allocate their limited resources to serve the most important wants and needs of the society.

Literature

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