

FOREIGN EXPERIENCE IN DEVELOPING METHODOLOGIES FOR INDUSTRIAL DEVELOPMENT STRATEGIES AND FORMATION PRINCIPLES

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Abstract: *The article discusses foreign experience in developing methodologies for industrial development strategies and their formation principles. An analysis of global practices highlights the absence of a universal model for determining long-term industrial development dynamics. The main principles for formulating strategies for the Republic of Uzbekistan are proposed.*

Keywords: *strategy, methodology, principles, development mechanism, industry, development forecast*

Introduction: In accordance with the "Strategy for the Development of New Uzbekistan in 2022-2026," inclusive measures are being implemented to deepen structural transformations, modernize, and diversify key economic sectors, ensuring balanced socio-economic development. A critical condition for transitioning to an innovative, competitive, and enthusiastically growing economy is using strategic planning at all management levels. This strategic planning will help form innovative development models using long-term development scenarios, enhancing the country's intellectual and technological potential. The administrative reform concept provides measures for modern strategic planning forms and technological innovations. Considering the tasks of the administrative reform concept, a methodology and principles for forming long-term industrial development strategies have been developed in Uzbekistan for 2023, utilizing foreign experience. The methodology encompasses principles for creating long-term development documents, criteria for selecting target orientations, and defines the methods and tools for evaluating scenarios.

Main Part: Key elements of the methodology are based on studying and adjusting advanced global practices to Uzbekistan's conditions, including core points from the document "Methodological Foundations for Developing a Long-term Development Strategy for the Republic of Uzbekistan." The

methodology aims to provide methodological guidelines and practical recommendations for developing long-term industrial strategies. The primary tasks include:

- reviewing global experiences in formulating industrial development strategies;
- defining principles and approaches for setting industrial development targets;
- establishing diagnostics for current trends and issues in the industry;
- outlining methods and tools for evaluating development projections;
- incorporating technological factors into strategy development parameters.
- requirements for the roadmap for the implementation of the long-term industrial development strategy.

The methodology is intended for practical use in ministries, departments, besides economic associations of the republic, whose functions involve the development of long-term industrial development strategies. The main conceptual and methodological approaches to the development of long-term strategies and forecasts for industrial development, the sequence and order of their preparation, interdependence, and the nature of interaction with each other and other forecasting and program documents of the socio-economic development of the country, industry, and its sectors are defined by legislative acts and regulatory documents on the organization of state forecasting (China, South Korea, Belarus, Russia).

Long-term strategies and forecasts are characterized by the following key features:

- They formulate a concept for the technical and economic industrial policy for the long term;
- They define pathways to solve strategic problems of a long-term nature. Solutions are expressed through profound qualitative transformations, evaluated by the rates of intra-industry and inter-industry structural changes;
- A distinctive feature in determining long-term development targets in industrial strategy is a goal-oriented approach to forming development indicators for industries;
- A relatively free choice of techno-economic decisions;
- Justification of scenarios and options for long-term development.

The main research method is exploratory forecasting. Global practice indicates the absence of a universal model for determining the long-term dynamics of industrial development, yet all models share common traits and components.

The combination of long-term and medium-term forecasting implies the presence of a set of interconnected programs and action plans. To ensure alignment and interaction with medium-term forecasts, the horizon of long-term forecasts is pushed back every five years, aligning with medium-term (five-year) forecasts, with indicators being specified (examples include China, Malaysia with ten-year strategic plans and five-year development plans, South Korea, Russia, and Belarus).

Considering the uncertainty of the

economic situation, forecasting is carried out in several scenarios based on potential impacts of internal and external political and economic factors. Typically, forecasts are developed in two scenarios—evolutionary and progressive—and in three scenarios—evolutionary, progressive, and pessimistic. In developing economies facing international political instability and market volatility, alongside structural and technological changes, a dynamic development scenario is also created.

The development of long-term strategies and forecasts occurs in three stages.

The first stage involves creating a concept for the industrial development forecast, which defines target parameters for the forecast period, varying by scenario based on changes in external conditions and resource utilization intensity. The second stage develops industry development forecasts based on conceptual guidelines and target parameters, considering the current state of industries.

The third stage integrates these forecasts and related analytical materials to formulate an industrial development forecast project.

Long-term strategies and forecasts justify industry development hypotheses based on detailed situation analysis, set goals and tasks, assess resource utilization efficiency, and establish pathways and mechanisms for advancing to a new qualitative level in industry.

Developing and Implementing Long-Term Strategies: Balancing Rigidity and Flexibility Developing and implementing long-term strategies and forecasts for industrial development is a process that requires both a strict structure and adaptability to changing conditions.

On the one hand, the system needs rigidity – clear goals, indicators for their achievement, a sequence of actions, timeframes, and coordinated budgets. On the other hand, in a market economy, implementing strategies effectively requires incorporating elements of flexibility and adaptability.

To achieve this, tools are used in the process of formulating and implementing long-term strategies that ensure:

- * Systematic monitoring and evaluation of progress in achieving the stated goals.
- * Identification of deviations from planned indicators, as well as determining the reasons for their occurrence.
- * Developing measures and policies to address identified problems or revising goals and objectives in accordance with changes in the internal or external environment.

The experience of many countries that have achieved significant success in industrial development allows us to distinguish several types of long-term strategic development:

- * Resource-Based Strategy is often employed by countries with abundant oil reserves, such as the Persian Gulf states, Venezuela, and, partially, Indonesia. The

essence of the strategy is to develop and export natural resources, attracting foreign investment, and then using the proceeds to improve the well-being of the population and develop industries focused on the domestic market.

* "Catch-up" Strategy is based on utilizing cheap labor to develop production of competitive products manufactured in developed industrial countries. The goal is to fill market niches, displacing major producers. In the initial stages, the emphasis is on replicating existing goods at a lower price. Only after establishing a foothold in the market do companies in "catch-up" countries move on to producing higher-quality and more original products. Japan, South Korea, and other Southeast Asian countries are prime examples of this strategy's use. China also utilizes it extensively.

* "Frontier" Strategy is the foundation of the industrial policy of the USA, Germany, and other developed industrial countries in Europe, and in recent years, Japan. It consists of creating new products and technologies based on scientific and technological advancements, shaping demand for them and creating new markets. A classic and highly successful example is the computer revolution and the development of information technology in the USA.

Despite different approaches, all of these strategies are aimed at achieving a new technological level. The key difference lies in the ratio of this level to the country's initial capabilities.

Developing a Long-Term Strategy for Uzbekistan's Industrial Development: Key Considerations

— It's not feasible to choose a single strategy for developing Uzbekistan's industry due to differences between economic sectors and production groups.

— The development strategy should be based on competitive advantages, taking into account the constraints of development.

— Industrial policy should be differentiated.

— It's necessary to develop traditional competitive industries on a new technological platform.

— Advanced manufacturing with full closed-loop cycles should become the "driver" of growth.

— The "frontier" strategy can be applied in some unique, science-intensive industries.

— The methodology for developing a long-term industrial development strategy should be focused on achieving increased competitiveness, improved resilience, structural balance, and effective self-development.

— The methodology should outline a sequence of actions aimed at creating conditions for introducing advanced, resource-efficient industrial technologies.

— It's necessary to ensure a gradual transition from an export-oriented raw materials development model to a resource-efficient model, from external borrowing of innovations to the gradual creation of our own technologies.

— It's crucial to create breakthrough and new high-tech and science-intensive industries based on bio and nanotechnologies, microelectronics, fine chemical technologies, information and communication technologies, laser and optical technologies, renewable energy, cell technologies, and genetic engineering.

— It's necessary to create "green" and "smart" production and products.

— The main methodological principle for developing a constructive long-term industrial development strategy is a stimulating state policy towards competitive industries on a new technological platform and promising production.

— It's necessary to support the development of industrial infrastructure, implement regional priorities, and support exports of high-tech products.

Industrial Development Strategy: A Path to Prosperity

The purpose of a long-term industrial development strategy is to create a realistic vision for the future, defining the pace and conditions for industrial production growth over the next 10-15 years. This strategy not only predicts success but also identifies risks, threats, and barriers that may arise on the path to desired industrial growth.

The strategic plan document is a comprehensive analytical report that details the features of the formation of long-term trends and sources of industrial production growth. The strategy proposes justification for priorities and conditions for ensuring sustainable production growth of competitive products, taking into account the prospects for demand in domestic and foreign markets. It defines a sequence of steps for technical and technological modernization of production using advanced foreign achievements, including necessary institutional reforms. The results of a diagnosis of the socio-economic consequences of the emerging strategy are also provided.

The purpose of the strategy is to formulate specific and clear goals for the long-term development of industrial production, to show ways to achieve them based on the mobilization and effective use of limited development resources. The strategy should reveal the mechanism for implementation:

* A vision for the country's industrial development over the next 10-15 years in the context of accelerating globalization processes;

* The goals and objectives set forth in the strategy within the framework of rigid resource constraints and taking into account the growing risks and challenges of long-term development.

Key principles for forming the strategy:

1. Taking into account the interests of all participants in industrial activity: the state, private business, managers of large enterprises, foreign investors, scientific organizations, when forming development goals and priorities.

2. Using a single methodology for developing the strategy: in the strategic planning system (sequence: development strategy, medium-term IP, sectoral development programs, etc.); uniform principles for coordinating industrial policy parameters with target goals and resource constraints.

3. Combining state regulation with market self-regulation: eliminating market distortions and reducing state intervention in current industrial activity.

The industrial development strategy is a roadmap to prosperity, ensuring sustainable growth and competitiveness of the Russian industry in the global arena. Rethinking Uzbekistan's Industrial Development Strategy: New Approaches and Principles

4. Informative, Guiding, and Recommending Role of the Strategy.

This strategy is not simply a set of directives, but serves as a vital tool for informed decision-making in the field of industrial development. It provides analytical data, identifies key trends, and offers concrete recommendations for achieving desired outcomes.

5. Ensuring Sustainable Industrial Development. The strategy strives for sustainable industrial development, taking into account a range of key factors, such as: Depletion of Natural Resources: A transition to more rational use of natural resources is necessary, minimizing their depletion. Adaptation to Climate Change: Industry must adapt to changing climate conditions and implement sustainable practices that reduce its negative impact on the environment. Changing Development Model: A shift from the traditional capital- and resource-intensive development model to a more innovative one, based on the use of modern technologies and knowledge, is essential. Increased Efficiency: A crucial task is to improve the efficiency of using all factors of production to achieve sustainable growth. Seeking New Sources of Growth: It's essential to identify and develop new sources of growth that can ensure long-term sustainability and competitiveness of industry. Strengthening Human Resources: The development and strengthening of human resources capable of implementing ambitious industrial development goals plays a key role.

6. Systemicity and Integrity of the Strategy. The strategy is developed based on a comprehensive approach, taking into account: Long-term National Interests: The strategy's goals should align with Uzbekistan's national interests and fit within the system of indicators for the Sustainable Development Goals (SDGs) until 2030. Global Trends: The strategy should account for global scientific and technological trends and forecasts for the development of the world economy. Challenges and Limitations: It's

necessary to consider new challenges, barriers, risks, and limitations that may arise in the process of implementing the strategy. Potential and Reserves: The strategy should build upon the potential and reserves of industrial production, as well as opportunities to create new competitive advantages. Prospects and Risks: The strategy should account for various scenarios for the development of the global economy, projected risks, and other factors influencing industrial development.

7. Realism of Proposed Measures. The strategy should be realistic and contain well-founded paths, measures, and mechanisms for achieving target goals. It should identify new sources of industrial production growth and create conditions for the effective use of existing development reserves.

8. Utilizing Best International Practices. The strategy should employ leading global practices and solutions for choosing the most optimal model for industrial development.

9. Flexibility and Consistency. The strategy should be flexible, allowing for adjustments to priorities and steps in the implementation process, and adapting to changing conditions.

Conclusion. A new approach to forming Uzbekistan's state development programs involves three main stages: Developing Long-term Concepts: The first stage involves developing and approving long-term (10-15 years) development concepts at the national, sectoral, regional, and targeted levels. Creating a Project Portfolio: The second stage involves forming sectoral, regional, and targeted project portfolios aimed at implementing development concepts. Developing State Programs: The third stage, based on approved concepts and project portfolios, involves developing state development programs in accordance with the Resolution of the President of the Republic of Uzbekistan dated December 18, 2017, No. PP-3437. This strategy serves as the foundation for forming a long-term vision of Uzbekistan's industrial development, aimed at sustainable growth, innovative development, and increasing competitiveness.

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