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**FACTORS ENSURING SUSTAINABLE GROWTH IN THE NATIONAL ECONOMY**

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**Annotation:** This article analyzes the main factors influencing sustainable economic growth in the national economy from a theoretical and practical perspective. The concept of sustainable growth, its inextricable link with macroeconomic stability, institutional reforms, investment environment, human capital and innovative development are highlighted. During the study, based on the experience of developing countries, mechanisms for achieving sustainable economic growth were identified and scientific and practical proposals were developed for their application in the national economy.

**Keywords:** national economy, sustainable economic growth, macroeconomic stability, investment environment, human capital, innovations.

**Introduction:** In the current context of globalization, ensuring the sustainable development of national economies is one of the most urgent and priority tasks facing every state. In the context of increasing integration processes in the world economic system, intensifying international competition, and increasing external economic risks, not only the growth of the country's economy, but also the stability and continuity of this growth are of particular importance. Because short-term economic growth often depends on external factors and cannot guarantee long-term socio-economic development. Therefore, states are paying great attention to the qualitative aspects of economic growth, namely its stability, balanced development, and social orientation. Sustainable economic growth is an important factor in improving the living standards of the country's population. Sustainable income growth, job creation, labor market activation, and social infrastructure development are directly related to economic stability. As employment and social protection of the population are strengthened, social stability is ensured in society, the poverty rate decreases, and the quality of human capital increases [1].

At the same time, sustainable economic growth is also important in ensuring national economic security and increases the state's resilience to internal and external economic threats.

The experience of developing countries shows that relying solely on natural resources or on individual dominant sectors for economic development cannot ensure long-term stability. Economies focused on the export of raw materials often become highly dependent on the volatility of prices on world markets, which increases economic instability. Therefore, many countries are striving to diversify their economies, that is, to expand the production and services sectors, to increase the share of products with high



Date: 17<sup>th</sup> December-2025

added value. Such an approach helps to fully utilize the internal potential of the economy and increase its resilience to external risks [2].

**Literature review:** The issue of sustainable economic growth has been studied as an important scientific problem in economic theory and practice for many years. In the history of economic thought, this issue was first substantiated by classical economists, who linked the main sources of economic growth with the efficiency of production factors. In particular, Adam Smith indicated that the deepening of the division of labor and the free functioning of market mechanisms are important conditions for economic development. In his opinion, increasing labor productivity and the efficient distribution of resources through the market contribute to increasing the welfare of society. David Ricardo, on the other hand, paid special attention to the efficiency of capital accumulation and the use of production factors in the process of economic growth, analyzing the problem of resource limitations in long-term development. In the later period, the neoclassical theory of economic growth proposed a new approach to this issue. Representatives of the neoclassical direction tried to explain economic growth by technological progress, which determines the efficiency of the factors of production - labor and capital, along with an increase in their quantity. In particular, the economic growth model developed by Robert Solow occupies an important place in economic theory. In this model, technological progress is considered the main source of long-term economic growth, and it is argued that capital accumulation has only a temporary growth effect. This approach scientifically confirmed the importance of innovation and scientific and technological development to ensure the stability of economic growth [3].

In modern economic literature, the concept of sustainable economic growth is interpreted on the basis of a broader and more comprehensive approach. Today, economic growth is assessed not only by the increase in the volume of gross domestic product, but also by its qualitative indicators. Researchers emphasize the important role of factors such as the quality of the institutional environment, the level of human capital, innovative activity, and the preservation of ecological balance in economic development. Investments in human capital, the development of education and healthcare systems increase labor productivity and create the basis for long-term and sustainable economic growth. Research conducted by international financial institutions, including the World Bank and the International Monetary Fund, also recognizes macroeconomic stability, open and competitive market relations, and effective public administration as the main conditions for sustainable economic growth. The analyses of these organizations indicate low inflation, ensuring budgetary discipline, improving the investment climate, and the stability of the financial system as important factors supporting economic growth. At the same time, it is emphasized that the transparency of state institutions and the strength of the legal system are among the main conditions that stimulate economic activity [4].

**Methodology:** In this study, a comprehensive methodological approach was used to comprehensively and in-depth analyze the issue of sustainable economic growth. The basis of the study was a systematic approach, which allowed studying the factors influencing



Date: 17<sup>th</sup> December-2025



economic growth not in isolation, but as a whole system of interconnected and complementary factors. Through this approach, the internal relationships between such factors as macroeconomic stability, institutional environment, human capital and innovative activity were analyzed and their role in economic growth was clarified. The study also widely used the comparative analysis method. Through this method, the experience of economic development of developing countries was compared, and common and different aspects in achieving sustainable economic growth were identified. The results of economic policy measures, institutional reforms and development strategies implemented in different countries were analyzed, and their impact on the stability of the national economy was assessed. This made it possible to identify best practices and adapt them to national conditions.

Also, using the methods of logical analysis and generalization, existing scientific views, theoretical concepts and empirical results were systematized. Various economic theories and approaches were studied, and on their basis the main laws and trends of sustainable economic growth were summarized. This method played an important role in scientifically substantiating the research results, drawing important conclusions and logically formulating them. In the course of the research, the main macroeconomic indicators of the development of the national economy were deeply analyzed using statistical analysis methods. The interrelationships between the growth rates of gross domestic product, the volume of investments, the inflation rate, employment indicators and foreign trade indicators were assessed. Based on statistical data, the factors affecting the dynamics of economic growth and its stability were identified, and existing trends were analyzed. This process made it possible to assess the current state of economic development and determine the directions of development in the future.

**Results:** The results of the study showed that ensuring sustainable economic growth in the national economy is a multifactorial and complex process. The theoretical and empirical analyses conducted confirmed that the sustainability of economic growth is determined not only by an increase in production volumes, but also by the internal balance of the economic system and the quality of development. In this regard, macroeconomic stability is one of the main conditions for sustainable economic growth. Low and controlled inflation, maintaining the state budget deficit within acceptable limits, and rational management of external debt create a reliable and stable environment in the economy. Under such conditions, entrepreneurial activity increases, investment decisions are made on the basis of long-term planning, and economic growth continues uninterrupted. The results of the study also showed that the quality of the investment climate is an important factor in economic growth. In conditions of a favorable investment climate, the volume of domestic and foreign investments increases, production capacities expand, and modernization processes in the real sector of the economy accelerate. Investments serve to establish new enterprises, technologically upgrade existing production, and develop infrastructure. As a result, new jobs are created, employment is

**Date: 17<sup>th</sup> December-2025**

ensured, and income levels increase. At the same time, improving the investment climate strengthens the competitiveness of the national economy in the international arena.

The study found that human capital development is one of the most important factors for sustainable economic growth. Investments in education, healthcare, and vocational training increase the quality and productivity of labor resources. A highly skilled and healthy workforce quickly adopts modern technologies, actively participates in innovative activities, and ensures the efficiency of the economy. Investments in human capital ensure the stability of economic growth rates in the long term and contribute to increased social well-being. The results of the study showed that innovative development and the introduction of digital technologies provide a qualitatively new stage of economic growth. Digital technologies allow optimizing production processes, efficiently using resources, and improving the management system. The expansion of innovative activity increases the quality of products and services, strengthening their competitiveness in international markets. At the same time, the development of the digital economy leads to the emergence of new business models and economic opportunities, ensuring sustainable and inclusive economic growth.

**Discussion:** The results of the study once again confirm that achieving sustainable economic growth is a complex and multifaceted process. The sustainability of economic growth is not determined only by an increase in the volume of production resources or short-term economic activity, but is directly dependent on the consistency, long-term strategic orientation and effectiveness of the economic policy pursued by the state. In conditions where state policy is clearly targeted, coordinated and predictable, economic entities have the opportunity to sustainably plan their activities, which ensures the continuity of economic growth.

The results of the discussion show that the main focus of economic development should be not only on increasing resources, but also on the effective and rational use of existing resources. An abundance of capital, labor and natural resources does not always guarantee high economic growth. On the contrary, inefficient resource management systems, misallocation and low productivity slow down economic development. Therefore, it is important to introduce mechanisms for efficiency, effectiveness and optimal use of resources in economic policy. The results of the study emphasize the role of institutional factors in economic growth. Deepening institutional reforms, namely the modernization of the public administration system, simplification of administrative procedures and improvement of the conditions for doing business, significantly increase economic activity. Strong and effective institutions ensure stability in the economy and create an atmosphere of trust among market participants. This contributes to an increase in the volume of investments, the expansion of entrepreneurial initiatives and the strengthening of economic growth.

A strong legal environment is discussed as one of the important conditions for economic development. The rule of law, reliable protection of property rights and the fulfillment of contractual obligations stimulate the activities of economic entities. A stable



Date: 17<sup>th</sup> December-2025

and transparent legal system creates favorable conditions for attracting long-term investments and reduces economic risks. At the same time, a fair and efficient judicial system ensures the healthy development of economic relations [5]

**Conclusion:** In conclusion, the results of the study showed that ensuring sustainable economic growth in the national economy does not rely on a single factor, but on the harmonious development of a number of closely related economic, institutional and social factors. Ensuring macroeconomic stability, that is, keeping the inflation rate under control, balanced management of public finances and rational management of external economic risks, serve as a necessary basis for economic growth. At the same time, the formation of a favorable investment climate, increased investments in human capital, and the widespread introduction of innovative development and digital technologies ensure sustainable and qualitatively high economic growth. The results of the study show that economic policy should be focused not on short-term results, but on long-term strategic goals. Consistent and sustainable continuation of economic reforms creates a reliable and predictable environment for economic entities. The presence of long-term development strategies and their effective implementation in practice contribute to the structural renewal of the economy, the formation of competitive sectors, and the stabilization of economic growth rates.

In the process of attracting investments, it is of particular importance to expand territorial and sectoral diversification. The absence of concentration of investment flows in only certain regions or traditional sectors reduces imbalances in economic development. Broad investment in industry, agriculture, services and infrastructure projects, taking into account the economic potential of the regions, will create new jobs, increase local economic activity and reduce interregional economic disparities. Increasing funds allocated to education and science is important as a long-term source of sustainable economic growth. A high-quality education system and developed scientific potential serve to train highly qualified personnel who are competitive in the labor market. Supporting scientific research and experimental design work creates the basis for the creation of innovative products and technologies and accelerates the technological renewal of the economy.

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