

Theoretical Foundations of Improving the Competitiveness of the National Economy

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Abstract. The article covers the theoretical foundations of improving the competitiveness of the economy of milly, in which the issues of ways to increase the competitiveness of the national economy, measures to create an effective competitive environment in Uzbekistan, increasing the competitiveness of Uzbek manufacturers in the markets of products and services are theoretically covered.

Competition is a multifaceted economic phenomenon that represents a complex relationship between all market entities. Competition-market subjects consist of a clash of economic interests, which means the struggle between them to have higher profits and more elegance. One of the other conditions for the existence of competition is commodity-money relations, as evidenced by the fact that it applies to a certain extent in a developed market system.

A market economy assumes the existence of competition, regardless of its level of maturity and characteristics of development. Also, as the market economy evolves, competitive relations also improve and change their shape. Our honorable first president I.A. Karimov points out the importance of competition in the market economy: “without competition, a market economy cannot be built. Competition-competition is the main condition of the market, it can be said, is its law”, he argues. Competition-market subjects consist of a clash of economic interests, which means the struggle between them to have higher profits and more elegance. In most cases, competition is defined as a struggle between direct goods or networks: “goods and their producers – firms, networks, countries-compete with each other. Accordingly, competition and competitiveness can be considered in relation to both commodity and commodity producers”.

On the way to increasing the competitiveness of the national economy, it is known that today we live in a period when the world market structure has changed dramatically, competition in the context of globalization has increased. In such complex conditions, such important tasks as ensuring macroeconomic stability, maintaining a high growth rate of development, increasing the competitiveness of the national economy, achieving the purchasing power of national products produced, increasing the revenue of the national currency are also implemented in our republic. As you know, wrestling means defending one's own interests, overcoming an opponent and trying to win, employing various tools and techniques. Goods, on the other hand, cannot directly change their competitiveness characteristics in the process of competition, that is, they cannot

fight. Their participation in this process is passive. In the current market economy, the following main tasks of competition can be distinguished:

1. regulatory task;
2. the task of deploying resources;
3. innovative task;
4. customization function;
5. distribution function;
6. Control function;

In order to create an effective competitive environment in Uzbekistan, it is necessary to implement measures on the following:

a) to maximize the elimination of any manifestation of State monopolism in the economy. For this, deep institutional reforms aimed at creating relatively favorable conditions for the development of entrepreneurship and the improvement of the system of state management of the economy are necessary;

b) to prevent the opportunities of monopolies arising in market conditions to undermine their dominant positions in the market. State institutions must ensure the development of competition. Without it, it is impossible to achieve effective innovations, low costs and prices, high quality of the product, in other words, to increase the competitiveness of the entire economy.

In Uzbekistan, privatization, the emergence of other forms of ownership at the expense of state property plays a key role in the policy of the state aimed at the formation of a competitive environment. As a result of privatization, firstly, property is put into the hands of its owners, and secondly, it creates an atmosphere of multi-axis economy and competition. The main way to create a competitive environment in Uzbekistan is to move from a state monopoly that denies competition to a market economy that is non-governmental, based on the existence of various economic forms and assumes as much free competition as possible. Here, however, the formation of competitive relations presupposes the emergence of independent producers of goods, since the main condition for competition is the presence of freehold entities that are isolated, have their own interests on the basis of property responsibility and take on an entrepreneurial threat, their communication through the market. No matter what model of economic development the countries of the world choose, the position of the national economy in the world economy is determined by its level of competitiveness. International competition is an important factor in technical progress, and under its influence, constant updating of production, management technologies will continue, the types of products produced will be updated and the quality will increase.

In Uzbekistan, an international scientific and practical seminar was held on issues of increasing competitiveness of Uzbek manufacturers in the markets of foreign and domestic products and services. According to the strategy for the development of the Republic of Uzbekistan in 2022 - 2027 "formation of an effective competitive environment for sectors of the economy and gradual reduction of monopoly on the market of products and services; in principle, there is a broader emphasis on changing new product and technology types, based on which to ensure the competitiveness of national goods in domestic and foreign markets".

In the conditions of Uzbekistan, the competitive environment is formed not in an evolutionary way, but on the basis of institutional regulation of the activities of economic entities. The modern economy is characterized by globalization, the transformation of economic relations, the integration of the world economy. Also, in the modern economy, competition and Monopoly are so intertwined that it is becoming more common to reveal the essence of competition with the introduction of the term more monopolistic competition. Based on scientific research and developed scientific hypotheses and conclusions carried out by economist scientists, today we can cite the following approaches that reveal the essence of competition: behavioral, functional and structural and dynamic.

In economic theory, there are different approaches to expressing the concept of competition. For example, according to the structural approach to competition, competition is such a situation in the market that this situation is explained by the fact that there are many manufacturers and buyers who produce and buy exactly one commodity on the market, there are no barriers to entry and exit from the market. In this case, competition is seen as the interaction of buyers and sellers in an unchanging market situation without affecting the price of goods (Table 1).

Table 1.

Various author's tariffs aimed at orienting the essence of competition on the basis of a structural approach

Author	Definition
A. Kurno	There is a struggle between two or more firms, with each firm trying to keep its competitor's production opportunities unchanged
F. Nayt	Interaction of a large number of independent economic units in non-specific conditions of the environment
L. Kachalina [1]	Mutual competition of subjects in Monopoly-free conditions

According to the dynamic approach, competition is a mechanism that is constantly present and valid, and is the competition of economic entities to achieve the highest result. It is the study of these approaches, generalizing them, that makes it possible to illuminate the essence of competition in a more general and holistic way. According to the behavioral approach, competition is reflected in the relationship of economic entities, which is a mutual competition between economic entities, a struggle. Competitive relations in turn indicate that the parties have objects, subjects and goals.

From Table 2, it can be seen that the authors, in highlighting the essence of competition, imply various goals, namely market share, limited solvency demand of consumers, high income or profit. We will witness that the purpose of competitive relations is first aimed at improving the economic activities of firms. Therefore, it is not an exaggeration to say that the behavioral approach is the competition between economic entities in order to achieve the result envisaged in the process of reproduction. According to this approach, the subject of research can be the form, methods of competitive relations, competitive strategies, competitive advantage and competitiveness of subjects.

In accordance with the functional approach, the subject of research is the achieved effect of the economy or a particular market as a result of the competition of economic entities (growth of the country's economy, purification from economically disadvantaged and inefficient enterprises), increasing production efficiency in the network, creating and introducing innovations, reducing costs, improving product quality, etc.).

Table 2

Various author's tariffs aimed at highlighting the essence of competition on the basis of a behavioral approach

Author	Definition
G. Azoyev	The competition of individual legal entities and individuals for the purpose in which their mutual manffats meet
D. Borisov	Among the subjects of the economy is the struggle for commodity markets in order to achieve high profits and other benefits
V. Shkardun [2]	The struggle of manufacturers for market share to maximize profits or achieve other specific goals
A. Yudanov	The mutual struggle of firms in the market segments, which are considered popular for all, with the aim of having a limited solvency demand from consumers

Competition according to the functional approach is the mechanism by which the market implements economic functions such as regulation, motivation, distribution and control. Its socio-economic essence is manifested in the following functions:

Regulatory function. In order to win the fight, manufacturers need to produce a product that the consumer prefers. It follows from this that the factors of production and price are directed according to the most demanded industries;

Motivation function. Competition for entrepreneurs is a risk and opportunity at the same time. That is, the entrepreneur offers a quality product at the expense of the lowest costs, and the income will have a visible opportunity and stimulate economic development;

The entrepreneur ignores customer demand or violates competition rules. As a result, it will suffer damage or cause certain restrictions and fines to be imposed by the state;

Distribution function. Competition increases the income of effectively operating manufacturers. Carries out the distribution of income between producers and households;

Control function. Competition limits and controls the strength of each market participants. For example, a monopolist can set a price. But the competition offers the consumer to buy the product of several sellers. The more perfect the competition, the more fair the price is set.

Conducting a competitive support policy makes it possible for the competition to fully implement its functions. As a result of this, innovations are introduced under the influence of competition, technical progress in relation to goods and services is rapidly introduced, adaptation occurs under the influence of competition, enterprises try to adapt to market conjuncture and consumer behavior under the influence of competition.

Friedrich von Hayek (1899-1992) was one of the major theorists of neoliberalism, advancing the principles of maximum freedom in economics, competition, free enterprise, absolute non-interference of the state in the work of the market mechanism. Applied the special term *u catalactics* to the market mechanism. F.Hayek believes that the growth of scientific knowledge in a personality society is absolutely equal to the development of a market economy on the basis of free competition, personal initiative and creative risk of citizens (Table 3).

Table 3

Various author's tariffs aimed at highlighting the essence of competition on the basis of a functional approach

Author	Definition
A. Smit	Regulating the activities of market participants-invisible hand
Y. Shumpeter	A dynamic process that dissolves the economy from the upheavals of old age, leading to the creation of a new brand(technology)
F. Xayek	A process in which knowledge is exchanged and acquired
A. Shastitko	The way in which market entities adapt to the changing situation

F. Hayek believed that it would have been meaningless when it was clear in advance who would have won the competition fight. The competition is significant in that its outcome and consequence are not known to whom hych is, to which each participant consciously strives or tries to strive.

In addition, the consequences of competition, while effective, also cause certain expectations, effort and frustrations. Competition is also impossible to know by prior empirical observation. The main thing is that in a competitive society, the goals that are ultimately pursued are achieved. This is also confirmed by human civilization.

Hayek should show the result of the processes taking place in the market, not to mention what information is the most necessary. Unlike socialism, in which the needs of society that need to be satisfied are clearly defined, in market relations the activity and knowledge of all members

of society is required. Hayek believed that with the existence of the division of Labor, the distribution of information and knowledge in society occurs, state intervention in the economy is not necessary, and demonstrated that centralized planning and management are ineffective. Hayek believes that a centralized system does not have the ability to process very large amounts of information or make decisions for them. Because information occurs in a certain space and time and loses its relevance in a short time, becoming unusable in the future.

The scientist was more interested in the ethical aspects of competition. He believes that there is no freedom in competition with confidence, but the restriction of freedoms by the state is manifested not through artificial barriers, but as a result of the spontaneous ethical rules of sociocultural evolution (appropriation of other property, generalization, collectivization of production, transformation of private property into common property). If these ethical rules are valid, economic competition is exchanged for the principle of not for everyone, but for no one.

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