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IMPORTANCE OF FOREIGN TRADE IN THE COMPETITIVENESS OF THE REGIONAL ECONOMY

Abstract. This article discusses the competitive advantages of objects in the competitiveness of the regional economy. Their existing classifications are analyzed in order to develop the main directions for searching for the sources of their formation. Methods for determining the competitive advantages of regional producers, classification of foreign trade theories are presented. Methods for realizing the competitive advantages of objects according to classification features and classification schemes are proposed.

Keywords: competitiveness, resources, foreign trade, sustainable development, national economy.

The results of the analysis of their existing classifications are of great importance for further studying the nature of the competitive advantages of objects and developing the main directions for searching for the sources of their formation. It is possible to classify the competitive advantages of objects according to different criteria, and domestic researchers have proposed several classification schemes.

The classification of the competitive advantages of the socio-economic system is divided into two groups: main and auxiliary. The advantages of the first group include natural resources, labor resources and their qualifications, scientific and managerial personnel, production base, and the second group includes the business environment, the quality of the management apparatus, labor force and infrastructure. In our opinion, it is important to divide the competitive advantages of objects into main and auxiliary groups, since this objectively reflects their true functional nature.

When determining the competitive advantages of regional producers, it is divided into five: resource, technological, innovative, global and cultural. At the same time, under the competitive advantage, the manufacturer understands active, the involvement of which and the economic turnover allows you to

create a consumer influence and generate income. The competitive advantages of producers owning resources include not only the availability of natural resources, their availability and favorable conditions for access to them, the convenient location of transport and communication routes, infrastructure, but also the advantages that affect the impact of products on consumers. due to tax characteristics and price characteristics.

The technological competitive advantages of manufacturers are related to the availability and use of resource-saving technologies by firms, mass production, economies of scale, and increased consumption efficiency related to the price characteristics of products purchased by consumers. Innovative competitive advantages of manufacturers are formed due to the implementation of research and development results in production, which allows for rapid updating of the nomenclature and assortment of products, thereby increasing the consumer impact related to its quality indicators. The global advantages of producers are related to the formation of external economic (environmental, social standards) economic activity and their implementation in firms and state policies. The cultural competitive advantages of manufacturers are related to the cultural similarities (differences)

of countries, which allow firms to maintain trade and resource markets in countries with similar cultures.

All the diversity of the historical experience of the development of different countries of the world shows that economic stability for any country, no matter how stable it is, is impossible without its active inclusion in the system of world economic relations. The current level of the international division of labor hardly shows any country on the world map whose economic life is separated from the world economic processes and closed within narrow national borders.

The Republic of Uzbekistan is located in the center of the Eurasian continent, between Amudarya and Syrdarya. It borders Kazakhstan, Turkmenistan, Tajikistan, Kyrgyzstan, and Afghanistan, and its area is 447.4 thousand square kilometers. Uzbekistan includes the Republic of Karakalpakstan and 12 regions: Andijan, Bukhara, Jizzakh, Kashkadarya, Navoi, Namangan, Samarkand, Surkhandarya, Syrdarya, Tashkent, Fergana, Khorezm.

The constant increase in the role of foreign economic relations in the economic development of national states, especially in recent decades, has led to the fact that foreign trade is traditionally considered as a relatively independent sector of the national economy, the main task of which is the purchase of material resources and goods.

One of the important stages of ensuring the true sovereignty of the republic legally is the constitutional consolidation of Uzbekistan as an independent subject of international relations, the right to join international organizations, collective security systems and international structures that define foreign policy in terms of its interests.

To date, 165 countries have recognized Uzbekistan. Official diplomatic relations have been established with more than 120 countries of the world. Uzbekistan is a full member of the most prestigious international organizations, cooperates with major banking and financial institutions, state, and non-state organizations. 88 accredited foreign representative offices, 24 intergovernmental organizations and

13 non-governmental organizations operate in the republic. Our country has joined many important international conventions.

Establishing and developing diplomatic, political, trade-economic, cultural, humanitarian relations of the Republic of Uzbekistan with foreign countries is carried out in two main directions:

- bilateral and multilateral relations at interstate, inter-governmental, inter-parliamentary and non-governmental levels.
- relations in the system of international organizations and structures, in particular, in the UN, CIS, EU, MDX, ICT and others.

During the years of independence, the Republic of Uzbekistan became a full-fledged member of the world community and an active participant in international relations recognized by foreign countries.

As a full-fledged subject of international law, Uzbekistan is a member of major international organizations. On March 2, 1992, the republic became a member of the United Nations (UN), was admitted to specialized UN agencies such as the International Labor Organization (ILO), the World Health Organization (WHO). He became an active member of the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Organization for Security and Cooperation in Europe (OSCE) and other international organizations.

Natural and geographical conditions, differences in the scope of production of the national economy, achieved levels and existing possibilities of the division of labor within the country have a significant impact on the volume and structure of the republic's foreign trade, and the level of its participation in the international division of labor. The relative narrowness of domestic markets, the limited possibilities of internal division of labor, the weak diversity of natural resources, which narrows the possibilities of development of various industrial sectors, serves as an important incentive for individual national economies to participate more actively in international trade, the specialization of production directed to foreign pro-

duction increases its importance. An example of this is the economy of several countries with a small area and population, such as the Netherlands, Belgium, and Ireland, where the level of export quotas is in the range of 50–70%. Countries with virtually no domestic natural resources and a few small market economies with global economic ties, including re-export operations, are characterized by export and import quota levels that exceed 100% of GDP (Hong Kong, Singapore). At the same time, countries with a relatively large territory and population have the ability to create a large internal market and a more complex structure of the national economy, and they are less dependent on internal markets for their economic growth. However, it should be noted that the role of foreign trade in economic development in these states has increased significantly in recent decades.

It should be noted that the importance of foreign trade as an indirect factor of economic growth depends on the general strategy of this growth. For example, in the conditions of extensive growth achieved by constant production efficiency and characterized by economic isolation tendencies, the role of external factors is usually relatively small, because in this case economic growth is mainly provided at the expense of internal resources, surplus products are sold through external economic relations, and for one or another reason Necessary goods that are not produced in one country are bought. In such cases, the development

of the country's foreign economic relations is mainly based on import needs, and export serves as a means of obtaining foreign exchange resources necessary for import. The extensive path of economic growth, in contrast to the intensive type, is based on the increase in the volume of production through changes in the quality of the factors of production (increasing the level of labor and facilities, the level of the workforce, the improvement of the organizational parameters of production, etc.), which implies an increase in the volume of production and mainly achieved by increasing social productivity. In such conditions, foreign trade, and foreign economic relations in general will have a new, incomparably greater importance for the entire process of national reproduction.

Historically, foreign trade was the first and most important form of international economic relations, and mainly determined the structure of economic relations between individual countries. With the growth of the world market into the world economy, such forms of international economic exchange as capital export, labor migration, technology transfer, etc. began to play an increasingly important role. These other forms of international economic relations, which initially developed in many ways to serve foreign trade, gradually began to strengthen their influence on the direction and essence of foreign trade between individual countries and the scale of the world economy as a whole.

Table 2. – Classification of foreign trade theories

No.	Theory	Reasons for international trade
1.	Mercantilism	Favorable trade conditions created by the state
2.	Theory of absolute and comparative advantage (A. Smith, D. Ricardo)	Resources and geographic preferences
3.	Theory of surplus factors of production (Heckscher, Olin)	Production and creation of the resource base of the country
4.	Leontief paradox	Quality of production factors
5.	Life cycle stage theory (R. Vernon, P. Krugman)	The stage of the product life cycle in the markets of different countries
6.	International competition theory (Porter)	Efficiency of use of production factors

The first theoretical system that tried to understand the importance of foreign trade for the state economy was the doctrine of mercantilism, which appeared at the first stage of the development of capitalist production. At that time, the leading role in the economy was occupied by trade capital, therefore, foreign trade (specifically export) was regarded as practically the only source of the country's wealth. Mercantilists saw strict import regulations as a means of creating new jobs and increasing national income. The mercantilist approach, in fact, assumed that the gains from foreign trade, understood as an increase in exports and restrictions on imports, could only be carried unilaterally at the expense of other countries.

Only during the period of the industrial revolution, when the machine-building era began, which required a comprehensive expansion of access to raw material sources and sales markets for its effective operation, new theoretical bases regarding the role of international trade in economic development appeared, and foreign trade without restrictions was considered beneficial for all countries participating in it. A. Smith and Ricardo in their scientific work provided the theoretical foundations of international trade preferences.

In the theory of absolute superiority A. Smith, since each nation has absolute advantages in the production of certain goods compared to its trading partners, and to this extent the volume of products

sold for export is equal to what should be bought abroad, foreign trade is free, that is, based on the principles of the free market. At the same time, the question arises as to how countries that do not have absolute advantages over others will behave in the world market.

A. Smith's theoretical approaches are another classic of English political economy D. It was further developed in the works of Ricardo, who put forward the theory of "comparative advantages". D. Ricardo justified the profitability of foreign trade for any country, even for any country that does not have absolute advantages over other countries or, on the contrary, has advantages in all goods. D. According to Ricardo's theory, each country has a comparative advantage in the production of certain types of products, rather than being able to produce only different goods.

Due to the existence of international trade, each individual country can specialize in areas in which it has a comparative advantage, and therefore export products whose production costs are relatively lower than those of other countries, while importing the products of these countries. Industries where production costs are relatively higher than other states. Thus, the main factor determining the structure and scope of trade between individual countries is the difference in production costs, that is, according to the labor cost theory, wage costs.

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