

Some Issues of Legal Importance International Division of Labor

Inamdjanova Elnora Elbekovna

Master of Laws Lecturer at the Department of Private International Law Tashkent State University of law, Republic of Uzbekistan, Tashkent

Abstract: This paper examines the changes associated with globalization, such as the increase in the number of multinational corporations, technological progress, liberalization of trade and investment regimes, and the factors in many developing countries that are laying the foundations for the geographic reconfiguration of production processes. In this regard, there is a need for legal regulation of the international division of labor in the framework of international trade and commercial relations with the competent application of the basic principles and effective collision links of private international law.

Keywords: Globalization, economics, commercial relations, international division of labor, TNCs, trade, conflict of law, contracts.

Introduction

As we know, today the process of globalization has had a dramatic impact on the functioning of the world economy. In this connection, trade, international investment, stages of migration, combined with accelerated technological progress, led to an increase in the international division of labor and the role of transnational corporations, after which production capacity was distributed around the world. The changes carried out in the Republic of Uzbekistan and the introduction of certain mechanisms of legal regulation are supported by leading international organizations, foreign countries, and financial structures that actively cooperate with our state.

Multifaceted cooperation has become one of the priority directions of Uzbekistan's foreign policy, where international trade and economic relations are no exception. This provision is becoming not only a means of transnational exchange of material wealth, but also a powerful factor in integration into the world economic space. So, in accordance with the Law of the Republic of Uzbekistan "On Foreign Economic Activity" [1] and the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to further improve the monitoring of foreign trade transactions in the Republic of Uzbekistan" [2], which were developed in accordance with the Law of the Republic of Uzbekistan "On Investments and investment activity" [3] and other normative legal acts regulating the foreign economic activity of the Republic of Uzbekistan, the procedure for accounting for foreign trade contracts of economic entities related to the international division of labor is determined. In addition, the President of the Republic of Uzbekistan noted in his work that one of our priority tasks in the field of economics is to further increase the prestige of our country in the international arena, increase the volume of attracted investments by strengthening economic ties of Uzbekistan with other states and broadly promoting the economic opportunities of our country for abroad [4].

BASIC APPROACHES

The relevance of the problem under study is largely due to the fact that, taking into account the changes taking place in the world economy, one should not consider the international division of labor only as a territorial distribution of production. In modern conditions, the processes of integration in international economic relations determine the need to analyze the international division of labor, including the study of flows of capital, goods, labor, changes in the structures of property rights; directions of scientific development and compliance with international standards. It should also be noted that the current rates of development of international trade and economic relations, including in Uzbekistan, emphasize the importance of competently identifying contradictions and resolving them from the standpoint of modern

requirements of private international law. It follows from this that the international division of labor (hereinafter - IDL) is an important factor in the development of the international economy, which is at its core. For example, the concept of IDL can be illustrated in such a way that a person who is reasonably good at a certain qualification and is able to professionally do his job is a guarantee of quality and timeliness for any firm or company. This gives significant advantages over organizations in which employees are forced to pay attention to many processes happening around at the same time. It also happens at the international level, where a certain country can specialize in the production of specific goods and services. The world market formed today has a huge number of different goods and services, which confirm the existence and influence of the international economic division of labor.

The underlying mechanism responsible for the growing gap in the level and quality of life is the international division of labor. There are three types of international division of labor, where each of them contains a certain stage of production possibilities:

- International division of labor of a general type. For this type, specific indicators of production are mandatory, such as natural resources, geographic location, extraction of raw materials. The main role is played by activities aimed at the volume of production, taking into account the resources of a particular country.
- International division of labor of a private type. This type is characterized by technological progress, the priority of skills and qualifications, the availability of ready-made goods and services.
- International division of labor of a single type. This type fully concentrates on certain stages of production, which is expressed in the creation of parts, elements, spare parts. In other words, the process of creating the final product is distributed between individual countries, which makes it possible to increase the market capacity and increase the pace of trade [5]. In this regard, today this type of trade relations is the most effective.

In our opinion, IDL is an objective material basis for international barter in products, services, technologies and scientific achievements, the basis for the formation of industrial, trading and other partnerships between states without taking into account their level of economic development with the further establishment of positions in the world market. The well-known economist A. V. Grinkevich argued that “the international division of labor increases the efficiency of production, helps to reduce the costs of social labor, and acts as a means of rationalizing production forces. The prosperity of the modern world rests on productivity growth, the source of which is the deepening of the division of labor and the specialization of workers ”[6]. In addition, today the performance of specialized tasks is presented as the intertwined threads of labor scattered around the world.

World trade and the division of labor are effective in conditions of economic prosperity, when each participant, provided with the factors of production, is offered the option of the maximum national welfare - subject to a given distribution of factors. According to the World Economic Forum, experts predict that by 2025 80% of the world's population will have a digital presence on the Internet. The main difference between the digital economy and the traditional one is the unprecedented flexibility of technological modes of production and consumption, the low cost of production and logistics, the emergence of new advantages of distribution models and the growing importance of self-organization. Other changes include the transfer of functions and business to the digital environment and the almost unlimited technical potential for digitizing objects, where any object that undergoes digitization is renamed “content”. At the same time, the digital economy, according to many researchers, is not autonomous in practical economic affairs, since digital technologies create new economic infrastructures that imply the redistribution of benefits based on supply and demand, carried out by participants of equal subjects.

Foreign experts in their writings argue that the digital revolution in commercial and private relations has led to an increase in the number of companies that conduct operations in almost all countries of the world, while maintaining an almost exclusively digital (online) presence, that is, components of the digital operations of companies, regardless of whether they are viewed as separate assets or as an economic unit, can qualify as

“investments” in countries where such companies offer their services, even if digital transactions do not correspond to the generally accepted understanding of investment activity from the point of view of international investment law. The concept of "legal regime of foreign investment" within the digital economy and platforms can be defined as a combination of legal means and methods of legal regulation of investment legal relations, including legal principles and legal provisions defining special rules for investors and digital assets. We know that technology developed, ICT turned out to be a universal technology built into a central place in entrepreneurship, operating across the entire economy. It should be noted that companies in all sectors can design and build their manufacturing models around technological capabilities to increase flexibility and efficiency and expand their presence in global markets only with a well-developed regulatory framework.

At this point in time, investment differentiation has changed the way we do business, taking advantage of the advances and advances in communications and data processing to lower transaction costs and expand their presence in global markets. These advances, coupled with trade policy liberalization and reductions in transport costs, have empowered businesses across all sectors, through global value chains in which manufacturing processes can be geographically dispersed around the world to take advantage of the characteristics of local markets. For example, in sectors highly dependent on technology, design and manufacturing can be centrally managed, while assembly can be fragmented across countries to take advantage of a skilled workforce and local resources. The digital economy has spawned a number of new business models, even though many of these models have parallels in traditional entrepreneurship.

In addition, it should be noted that innovation in the digital economy allows for the rapid development of new asset investment models. The business types discussed include several varieties, which include e-commerce, app stores, online advertising, cloud computing, network platform participation, high-speed retail, and online payment services. Creation of an attractive investment climate in the Republic of Uzbekistan will increase the volume of investments in the national economy. This work is based on the hypothesis of the need to create an effective digital asset regulatory framework for foreign investment. To achieve this goal, it is necessary to analyze a number of tasks; characterize the system of national investment legislation of the Republic of Uzbekistan, take into account international legal acts in the field of legal regulation of foreign investment and formulate proposals for improving investment legislation. The main content relates to competition and regulation of digital markets with additional discussion of network effects, interoperability, creation of investment platforms. Investments in information and telecommunication technologies are the main channels through which digital trans. Today, the strategy of long-term socio-economic development of the Republic of Uzbekistan is expressed as giving the economy greater dynamics and stability, requiring not only the most efficient use of national resources, but also attracting foreign investment. At the present stage of the development of the world economy and the intensified development of the digital economy, the role of foreign investment for individual states and their impact on economic growth is becoming increasingly important. In this regard, there is a need to improve legislation, create an effective regulatory framework in the field of legal regulation of foreign investment, taking into account new forms of investment and digital assets.

Thus, each country participating in international trade achieves the maximum possible national product, taking into account the factors of production provided. At the same time, the distribution of income at the national and international levels is also optimal in the sense that full employment of all factors of production prevails [7].

A country that participates in IDL receives the difference between internationalization and the national value of exported goods and services, where domestic costs are automatically reduced, since cheaper goods and services are purchased [8]. It is also worth noting that products go through a maturation cycle from an early stage of development and production, which requires large investments in research and development, as well as highly skilled labor to make a particular product suitable for the market and for its further production [9]. Interstate distribution of work makes it possible to locate production points in certain territories, taking into account lower costs, in order to obtain the highest quality result with the greatest economic return. It should be made clear that IDL mainly contributes to the enhancement of product quality. This happens through the

influence of IDL on the volume and scale of transactions without affecting the principles of trade relations [10]. The international division of labor is directly related to foreign economic activity, which consists of civil legal relations arising in connection with the import and export of objects of civil rights and public law relations, where state control is exercised.

The sphere of foreign economic activity includes the following groups of relations [11]:

1. Private law relations: a) foreign trade relations; b) international investment relations; c) relations in the field of international transport.
2. Public law relations: a) international monetary relations; b) customs relations; c) relations on the introduction and application of non-tariff regulations of foreign economic activity; d) relations in the field of legal regulation of territories with a special economic status [12].

The development trends of the "new international division of labor" are explained by global transformation and unevenness based on the progress of automation of capitalist large-scale industry and its influence. This situation leads to the fact that IDL capital is looking around the world for the most advantageous combinations of relative value, qualities, disciplines that arise as a result of the heterogeneous origin of various national factors of production [13]. Therefore, each country seeks to concentrate a certain type of labor force with distinctive "material and moral" productive characteristics of a certain complexity, which are territorially divided, but shared by capital as a whole at the lowest cost [14].

Regulation of the digital economy, blurring the boundaries in the field of interethnic and state is considered the main trend in the digital economy. Interdepartmental methods of "better" regulation include the principles of voluntariness as an alternative to the use of regulatory methods and intensive interaction, that is, there is legitimate power and a balance of interests of the participants as a guarantee of stability. It should be noted that at the level of international regulation, legal practice is rapidly losing its legal significance and provides a basis for new legal standards and recommendations developed by international organizations. The entry of modern states into supranational associations naturally limits their sovereignty in the sphere of regulation. However, voluntary methods of limiting sovereignty as a result of limiting national legislation by supranational law are incomparable with the complete absence of territorial boundaries in the digital sphere.

In the course of historical development, the intensity and types of cross-border trade turnover changed, but trade and the activities of economic entities, including cross-border ones, were not interrupted, which led to the fact that the rules governing it were also improved. They were presented in the form of an alloy of customs, customs, legal norms and the principle of justice (*acquo et bono*), called *lex mercatoria*.

In the presence of a foreign element in a foreign economic transaction, the process of concluding and executing transactions is seriously complicated, in connection with which the legislation should have appropriate norms. Difficult conditions include: conditions for receiving payment, criteria of the currency issue, movement of goods through the territory of two or more countries, insurance issue in case of damage to goods, signing additional contracts for detailed obligations, customs requirements of a particular state, force majeure circumstances, determination of the norm on the applicable law and the procedure for considering disputes [15].

The stages of international trade liberalization and the division of labor are not possible without the secured agreements of the World Trade Organization. Accordingly, the established WTO norms are the fundamental basis for the legal regulation of international trade. The 1980 UN Convention on Contracts for the International Sale of Goods and the 1958 Convention on the Limitation Period in the International Sale of Goods contain requirements for the conclusion and execution of contracts for the international sale of goods. The latter applies only if, at the time of the conclusion of the contract for the international sale of goods, the commercial enterprises of the parties to the contract are located on the territory of the member states, or if, according to the rules of the international private law, the law of one of the member states is applicable to the contract of sale. On top of that, the Convention establishes a general 4-year limitation period for all claims of the seller and the buyer, which cannot be changed by agreement of the parties. At the same time, the legal basis for international trade can be acts of private origin, such as the UNIDROIT Principles of

International Commercial Agreements, Incoterms, UNCITRAL legal guidelines on the conclusion of commercial international contracts, standard proforma and others.

From a legal point of view, IDL regulation can represent an expressed combination of private law (including *lex mercatoria* and transnational commercial law), domestic law (including conflict of laws rules) and elements of public law with a variety of bilateral and multilateral treaties, which, in turn, can be introduced international organizations in the form of central bank orders, declarations of principles, resolutions, recommendations, customary law, general principles of law, judicial decisions and commercial practices. There were also supporters who argued that there is absolutely no border between the private and public parties in international law, and possibly in law in general, with which it is very difficult to agree.

The UNIDROIT Principles are a detailed system of general contractual law governing the conclusion, validity, interpretation, content, performance and consequences of non-performance of international commercial contracts, regardless of national legal traditions [16]. Moreover, WhenThe principles of international commercial agreements UNIDROIT are an example of the informal codification of the rules of international trade, representing a set of sufficiently flexible rules that makes it possible to widely apply them in various situations. The Principles are applied in the event that the parties have indicated their application, securing a direct reference to the Principles, and can also be applied when in the contract the parties have agreed that their relationship will be governed by "general principles of law".

CONCLUSION

It was revealed that the need to adopt a provision on the procedure, methods and forms of domestic implementation of the adopted agreements governing legal relations in IDL, on the legal grounds for their direct application, becomes more acute. Thus, in order to improve the legal regulation of IDL, it is proposed to: define the scientific concept of IDL in the context of private international law; to make additions to the VI section of the Civil Code of the Republic of Uzbekistan, by adding the norm on the "Clause of the most favored nation", the norm on "Autonomy of the will"; for practical enforcement, adopt the ICC Model Contract for the International Sale of Finished Goods; add the concept of "restrictive business practices" to the Law of the Republic of Uzbekistan "On Competition".

As a result of the study, it was revealed that the law is developing and improving continuously, therefore, the qualitative completion of the stage of the formation of the international division of labor can be said when a project of a fair and effective order of legal regulation is proposed, in accordance with the principles and norms of private international law.

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