

Scientific and Theoretical Basis for Assessing the Competitiveness of Territories

Sayyora Nasimovna Khamraeva

Karshi Engineering and Economics Institute, Head of the Department of “Innovative Economy”,
Ph.D., prof

Nilufar Djabbarova Furkatovna

Master of KIEE, 1-course

Abstract

The article is devoted to the study of the state and problems of ensuring the competitiveness of the regional economy. The system of indicators used by international experts to determine the level of competitiveness of regions is analyzed.

Keywords: *regional economy, competitive advantages, competitiveness of the region.*

Introduction. In the process of globalization, increasing competition and the instability of the world, especially the subsequent spread of the COVID-19 pandemic, have led to uncertainty about the future development of the world economy. According to the International Monetary Fund, the crisis of the corona virus pandemic in 2020 led to¹ a 3.3% decline in the global economy, including 4.7% in developed countries and 2.2% in emerging and developing countries. The gap between the world's per capita incomes has² risen sharply since the 1980s, to 1.7 times in developed countries and 3.2 times in developing countries. This, in turn, requires effective regional policies aimed at reducing the disparities in income per capita between regions and eliminating imbalances in sustainable economic growth.

To study the problems of disparities in the sustainable economic growth of regions in the world, structural changes in the sectors of regional economies, changes in production efficiency, the quality of economic growth and the elimination of disparities in per capita income and extensive scientific research is underway to address them. In particular, in order to ensure sustainable economic growth in the regions, special attention is paid to improving the methodology for analyzing and forecasting their more efficient use, taking into account the specifics of efficiency and factors of production in sectors of the economy.

Literature review. Foreign scientists who have revealed the economic potential of the country, its content and application in practice: L.I. Abalkin, V.D. Anchishkina, V.D. Andriyanova, A.N. Zadoya, B.M. Mochalova, A.M. Rumyanseva, S.S. Sulashkina and others. Also, scientists who stressed the need to consider the concept of economic potential of industries as a separate economic

¹ International Monetary Fund, 2021. World Economic Outlook: Overcoming uneven economic recovery. Washington, DC, April.

² Widening Gaps: Regional Inequality in Advanced Economies. International Monetary Fund, 2019. <https://www.imf.org/ru/News/Articles/2019/10/09/blog-widening-gaps-regional-inequality-within-advanced-economies>.

entity and described ways to use it effectively in scientific, theoretical and practical research: V.N. Avdeyenko, A.A. Adamesku, K.Y. Andreyev, G.L. Bayanduryan, V.A. Bogomolova, I.V. Shevchenko, V.M. Yakovlev and others. Scientists who have published educational and scientific research on the assessment of economic potential of the country and the calculation of the efficiency of economic resources of the regions: A.G. Aganbegyan, Y.G. Animitsa, A.G. Granberg, E.A. Isayev, V.P. Nesterov, G.S. Hoffman and others. From local scientists who have conducted research on the competitiveness of regions in the integrated development of regions, socio-economic modeling of regional industrial complexes, regulation of regional development of the economy of Uzbekistan, development of the basis and methodology of regional development: G.K. Saidova, A.M. Sodikov, S.S. Gulomov, Sh.B. Imomov, Sh.X. Nazarov and others.

Analysis and results. Despite the adoption of various programs aimed at ensuring the development of the regions in Uzbekistan since the early years of independence, in practice, the disparities in the socio-economic development of the regions and the inefficient use of factors of economic growth remain. Insufficient attention has been paid to the structural changes in the regional economy and to the qualitative indicators of economic growth in the development of socio-economic development programs. As a result, the difference between the regions in terms of GDP per capita is 4.5 times. Therefore, "Comprehensive and balanced socio-economic development of regions, districts and cities, effective and optimal use of their existing potential", "Launch of small industrial zones and industrial clusters in the regions, organization of effective use of small industrial and special economic zones" marked separately as one. Therefore, the effective use of the potential of the regions, objective assessment and forecasting of economic growth in the regions is one of the most pressing issues today.

Competition is the hallmark of a market economy and a common commodity economy in the economic category, and its development is one of the productive parts of the mechanism. A market economy requires existence regardless of its level of maturity and actions. At the same time, the market economy is evolving. The birth of competition is so multifaceted that it cannot be obtained by any single general definition. It is possible to dwell on some aspects of the definition of "competition". The concept of competition is defined differently in different dictionaries and reference books. In particular, the dictionary "Language business" reads: "Competition (Latin concurrere - conflict; English competition, rivalry) - changes in the market to ensure the most favorable level of their development, to determine the diversity of buyers. Management enterprises are an economic process of interaction, interaction and struggle.

It is useful³ to study the concept of "competitiveness" in the following economic terms:

1. relativity - a product that is competitive in some markets at the same time is not competitive at all in others;
2. diversity - leads some researchers to understand only certain technical aspects of an industry, firm or product as competitive;
3. differences in approaches to analyzing and evaluating different levels of competitiveness: product, enterprise, industry, region, and country levels in general.

³ Yaksanov, D. S. (2014). Theoretical foundations of competitiveness at the present stage. News of the Saratov University. New series. Series Economics. Control. Law, 14(1-1), 41-46.

It is known that a number of international organizations have published a rating that reflects the competitiveness of countries. In particular, since 1996 the Institute of Management Development (IMD) has been determining the Global Competitiveness Rating of countries, and since 2004 the World Economic Forum has been determining the Global Competitiveness Index of countries. While the Global Competitiveness Rating is based primarily on a country's system of economic indicators, the Global Competitiveness Index measures a country's ability to ensure a high level of well-being for its citizens. It depends primarily on how effectively the country uses its resources. However, in order to maintain living standards in a free market environment, as a rule, it is necessary to constantly increase labor productivity and the quality of goods or services.

The Global Competitiveness Index is made up of 113 variables that characterize in detail the competitiveness of the world's countries at different levels of economic development. The set of variables consists of two-thirds of the results of a global survey of company leaders (to cover a wide range of factors affecting the business climate in the countries studied), and one-third of publicly available sources (statistics and research results carried out on a regular basis by international organizations). All variables are combined into 12 benchmarks that define national competitiveness⁴:

1. The quality of institutions.
2. Infrastructure.
3. Macroeconomic stability.
4. Health and Primary Education.
5. Higher education and professional training.
6. Efficiency of the market for goods and services.
7. The efficiency of the labor market.
8. The development of the financial market.
9. The level of technological development.
10. The size of the domestic market.
11. Competitiveness of companies.
12. Innovation potential.

The choice of these variables is due to theoretical and empirical studies, and not a single factor is able to ensure the competitiveness of the economy alone. Thus, the effect of increasing spending on education can be reduced due to inefficiency in the labor market, other shortcomings in the institutional structure and, as a result, the lack of opportunities for graduates of educational institutions to be appropriately employed. Attempts to improve the macroeconomic environment, for example, to optimize control over public finances, will be successful only if the financial management system is sufficiently transparent, without corruption and large-scale violations. Entrepreneurs will only adopt new technologies if the potential profit exceeds the required investment. Thus, according to the conclusions of the World Economic Forum, the most competitive are the economies of those countries that are able to pursue a comprehensive policy, take into account the full range of factors and the relationship between them.

⁴ <https://gtmarket.ru/ratings/global-competitiveness-index>

The IMD World Competitiveness Center has released a new Country Economic Competitiveness Index 2021. The leading positions are occupied by such countries as: Switzerland (1st place), Sweden (2nd place), Denmark (3rd place), the Netherlands (4th place) and Singapore (5th place)⁵.

The ranking included 64 countries, which were evaluated according to the criteria of innovation, digitalization, social cohesion, supportive public policies, flexibility, business efficiency and other economic indicators.

According to experts, it was the observance of such criteria that helped the leading countries to better withstand the crisis and take higher positions in competitiveness. Thus, the Rating reveals the economic consequences of the pandemic around the world.

It is worth noting that almost all European countries have grown compared to 2020. In particular, Switzerland took first place for the first time in the 33-year history of the world ranking, and Singapore fell from the number one place it had held for the previous 2 years. Ukraine, in turn, took 54th place, which is one position better than the previous year.

In assessing the competitiveness of the regions, the following aspects should be considered:

- favorable geographical location of the region;
- potential of natural and economic resources of the region;
- rational distribution of productive forces;
- economic structure of the region;
- labor potential in the region, the availability of intellectual capital;
- availability of developed material and market infrastructure;
- stability of interregional and economic relations;
- availability of scientific and technical potential and scientific information base;
- Availability of mechanisms for government support of entrepreneurship.

However, the availability of natural resources, geographical location, natural and climatic conditions do not determine the competitiveness of the region. The competitiveness of the region is to develop the economy and increase the capacity of state and market institutions through the effective use of existing opportunities. At the same time, the main task of local government is to create a competitive environment to ensure production growth, stimulate⁶ demand and so on.

References

1. International Monetary Fund, 2021. World Economic Outlook: Overcoming uneven economic recovery. Washington, DC, April.

⁵[https://www.campiogroup.com/news/2021/rejting-konkurentosposobnosti-stran-2021-imd/#:~:text=%D0%92%D1%81%D0%B5%D0%BC%D0%B8%D1%80%D0%BD%D1%8B%D0%B9%20%D1%86%D0%B5%D0%BD%D1%82%D1%80%20%D0%BA%D0%BE%D0%BD%D0%BA%D1%83%D1%80%D0%B5%D0%BD%D1%82%D0%BE%D1%81%D0%BF%D0%BE%D1%81%D0%BE%D0%B1%D0%BD%D0%BE%D1%81%D1%82%D0%B8%20IMD%20%D0%BF%D1%80%D0%B5%D0%B4%D1%81%D1%82%D0%B0%D0%B2%D0%B8%D0%BB,\(5%2D%D0%B5%20%D0%BC%D0%B5%D1%81%D1%82%D0%BE\).](https://www.campiogroup.com/news/2021/rejting-konkurentosposobnosti-stran-2021-imd/#:~:text=%D0%92%D1%81%D0%B5%D0%BC%D0%B8%D1%80%D0%BD%D1%8B%D0%B9%20%D1%86%D0%B5%D0%BD%D1%82%D1%80%20%D0%BA%D0%BE%D0%BD%D0%BA%D1%83%D1%80%D0%B5%D0%BD%D1%82%D0%BE%D1%81%D0%BF%D0%BE%D1%81%D0%BE%D0%B1%D0%BD%D0%BE%D1%81%D1%82%D0%B8%20IMD%20%D0%BF%D1%80%D0%B5%D0%B4%D1%81%D1%82%D0%B0%D0%B2%D0%B8%D0%BB,(5%2D%D0%B5%20%D0%BC%D0%B5%D1%81%D1%82%D0%BE).)

⁶ Khominich I. P., Timoshenko I. I. Competitiveness of the region // Regional economy: theory and practice. - 2004. - no. 4. - S. 47-55.

2. Widening Gaps: Regional Inequality in Advanced Economies. International Monetary Fund, 2019. <https://www.imf.org/ru/News/Articles/2019/10/09/blog-widening-gaps-regional-inequality-within-advanced-economies>.
3. Yaksanov, D. S. (2014). Theoretical foundations of competitiveness at the present stage. News of the Saratov University. New series. Series Economics. Control. Law, 14(1-1), 41-46.
4. <https://gtmarket.ru/ratings/global-competitiveness-index>
5. Xominich I. P., Timoshenko I. I. Konkurentosposobnost regiona //Regionalnaya ekonomika: teoriya i praktika. – 2004. – №. 4. – S. 47-55.
6. Spitsina A. O., Cherkashin M. D. Konkurentosposobnost regiona: teoreticheskiy aspekt //Rossiyskaya nauka i obrazovaniye segodnya: problemi i perspektivi. – 2015. – №. 4. – S. 221-223.
7. Shoroxov V. P., Kolkin D. N. Otsenka konkurentosposobnosti regiona //Problemi prognozirovaniya. – 2007. – №. 1. – S. 92-101.
8. Bahadirovich A. F. The Main Directions of State Regulation of Entrepreneurial Activity //Academic Journal of Digital Economics and Stability. – 2021. – T. 12. – C. 22-27.
9. Bahadirovich A. F. The Role of Investments in the Innovative Development of the Economy //International Journal on Economics, Finance and Sustainable Development. – 2022. – T. 4. – №. 3. – C. 112-117.
10. Bobokulovich K. A., Mavlonovna J. N. The Role Of Small Business In The National Economy //The American Journal of Interdisciplinary Innovations and Research. – 2020. – T. 2. – №. 07. – C. 95-98.
11. Dusiyorovich, R. A. (2021). Issues of Sustainable Development of Digital Agriculture and Equipment of Qualified Personnel. Academic Journal of Digital Economics and Stability, 151-157.
12. Ergashev R.Kh., Khamraeva S.N., Fayzieva Sh.Sh. Innovative development of agricultural infrastructure: problems and ways of its achievement // The phenomenon of market economy: from the origins to the present day. Partnership in the face of risk and uncertainty. - 2020. -- S. 310-319.
13. Ergashev, R. X., & Ravshanov, A. D. (2021). Prospects for Strategic Development of Agricultural Enterprises. Academic Journal of Digital Economics and Stability, 504-510.
14. Innovative Development of the Economy." International Journal on Economics, Finance and Sustainable Development 4.3 (2022): 112-117.
15. Kh E. R., Khamraeva S. N. Agricultural Infrastructure Economics //Textbook,-T.: New generation. – 2012. – T. 332.
16. Nasimovna K. S., Ilkhomovich O. I. STATUS AND ANALYSIS OF THE DEVELOPMENT OF WORLD ELECTRONIC TRADE SERVICE //World Economics and Finance Bulletin. – 2021. – T. 1. – №. 1. – C. 9-11.
17. Yulchievna A. M., Kholikberdievich R. K. Theoretical Aspects of Cooperative Relations in the Production and Sale of Fruit and Vegetable Products //Academic Journal of Digital Economics and Stability. – 2021. – C. 795-800.

18. Rakhimov, Anvar Norimovich. "Econometric modeling of the development of educational services to the population of kashkadarya region." *ACADEMICIA: AN INTERNATIONAL MULTIDISCIPLINARY RESEARCH JOURNAL* 11.2 (2021): 1305-1312
19. Rakhimov, A. N. (2021). Econometric modeling of the development of educational services to the population of kashkadarya region. *ACADEMICIA: AN INTERNATIONAL MULTIDISCIPLINARY RESEARCH JOURNAL*, 11(2), 1305-1312.