

1-1-2020

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Recommended Citation

Kasimov, S.S.; Akbarova, L.U; and Rakhimberdiyev, I. (2020) "Development of Institutional Foundations for International Economic Integration In Innovative Sphere of Uzbekistan," *Economics and Innovative Technologies*: Vol. 2020 : No. 1 , Article 1.

Available at: <https://uzjournals.edu.uz/iqtisodiyot/vol2020/iss1/1>

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DEVELOPMENT OF INSTITUTIONAL FOUNDATIONS FOR INTERNATIONAL ECONOMIC INTEGRATION IN INNOVATIVE SPHERE OF UZBEKISTAN

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Abstract: *The article examines the theoretical and practical aspects of the assessment and control of management systems of interdisciplinary divisions of the company, as well as international economic cooperation, which means the development of sustainable economic relations between countries and peoples, the reproduction process going beyond national borders.*

Keywords: *international integration, economic integration, globalization, national economy, international economic cooperation.*

Introduction

Currently, the problem of international economic integration and globalization is increasingly taking on a planetary character. Thanks to the intensive development of modern technologies, the flow of capital, goods, services and information, the modern world ceases to consist of separate, isolated countries. Economic, financial, industrial relations are less and less dependent on state borders.

Some aspects of the impact of globalization on the national economy deserve special mention. First of all, we note the extremely high growth rate of foreign direct investment, far exceeding the growth rate of world trade. These investments play a key role in technology transfer, industrial restructuring, and the formation of global enterprises, which have a direct impact on the national economy.

As the President of the Republic of Uzbekistan Sh.M. Mirziyoyev noted, "Today, our native Uzbekistan is moving at its own pace of development at an accelerated pace. The reforms carried out over the past three years are already bearing their first fruits. The interest and attention to Uzbekistan, the potential of our country are growing in the international community, and faith in its future is strengthening"[1].

Together with this, the development of integration processes was a logical result of the growth of the international movement of goods and factors of their production, which required the creation of more reliable supply and value links between countries and the removal of numerous obstacles to international trade and the movement of factors of production. It was possible to do this only within the framework of interstate integration associations on the basis of multilateral political agreements.

At present, international economic integration has become increasingly supplemented by various forms of the international movement of factors of production

(capital, labor and technology), as a result of which not only finished goods, but also factors of their production began to move abroad. The profit, included in the price of the goods, began to be created not only within national borders, but also abroad. The logical result of the development of international trade in goods and services and the international movement of factors of production has become economic integration.

International economic integration (IEI) in the innovation sphere can be defined as the process of economic and political unification of countries based on the development of deep sustainable relationships and the division of labor between national economies, the interaction of their reproductive structures at various levels and in various forms.

At the micro level, this process goes along the path of interaction between their reproductive entities (enterprises, firms), contributing to the interpenetration and coalescence of national economies. At the macro level, based on the development of international trade in goods and services and the growth of the international movement of factors of production, which take the form of interstate agreements to coordinate national strategies for the economic and political development of mechanisms, which takes the form of interstate agreements and is coordinated by interstate bodies. Integration processes lead to the development of economic regionalism, as a result of which individual groups of countries create more favorable conditions for trade among themselves, and in some cases for inter-regional movement of factors of production, than for all other countries. However, economic regionalism, simplifying economic relations between countries of one group, should not lead to their complication with all other countries. As long as regionalism, at least, does not worsen the conditions for trade with the rest of the world, it can be considered a positive factor in the development of the international economy.

Research methodology

During our research we have used a number of methods, including comparative analysis, logical analysis, analysis and synthesis, induction, deduction methods. The research methodology of this article is conducted with qualitative data and based on systematic approaches of various studies on economic integration and globalization. Furthermore in analyzing part of the article there have been used systematic approach based on last tendencies of world economic integration.

Analysis and results

Practice shows that the prerequisites for the integration interaction of individual countries, the more favorable, the higher the overall level of their technical and economic development and trade and economic relations between them. For example, countries with an agrarian and raw material profile, producing not so much complementary as competing with each other food products, fuel, raw materials, etc., have little interest in developing mutual exchange and are looking for connections with more developed foreign partners.

For the same reason, market integration is not very promising for countries that are at the early stages of industrialization, the production structure of which is characterized by a high share of extractive industries and primary processing of agricultural and mineral raw materials. In the bulk of their exports, they are rivaling each other as rivals fighting for external markets. Therefore, their domestic markets do not open towards each other, but, on the contrary, are most often fenced off by customs barriers.

State innovation policy in industrialized countries is aimed at creating a favorable economic climate for the implementation of innovative processes and is, obviously, the link between the field of academic science and the tasks of production. In general, the role of the state in supporting innovation can be reduced, without pretending to be complete, to the following points [2]:

- the state promotes the development of science, including applied science, and the training of scientific and engineering personnel (the main source of innovative ideas);
- within the majority of government departments there are various programs aimed at increasing the innovative activity of business;
- government orders, mainly in the form of contracts for R&D, provide the initial demand for many innovations, which then find wide application in the country's economy;
- fiscal and other elements of state regulation form the stimulating effect of the external environment, which determine the effectiveness and need for innovative solutions of individual firms;
- the state acts as a mediator in organizing effective interaction between academic and applied science, stimulates cooperation in the research and development of industrial corporations and universities.

In this regard, it should be noted that the consequences of globalization can be both positive and negative, but there is no alternative to it, and therefore, the main attention is paid to studying the dangers (threats) that these processes bear, the opportunities and benefits that arise in the process of globalization.

First of all, the most important issue is to determine the relationship between the concepts of “globalization”, “internationalization of economic life”, “international economic cooperation”, “international economic integration”.

As a result of international production cooperation, the development of the international division of labor, foreign trade and international economic relations as a whole, the interconnection and interdependence of national economies is strengthened, the normal development of which is impossible without taking into account the external factor. This phenomenon is called the internationalization of economic life. You can give a fairly general definition of this concept:

International economic cooperation means the development of sustainable economic relations between countries and peoples, the reproduction process going beyond national borders.

The next stage was international economic integration, objectively determined by the deepening of the international division of labor, the internationalization of capital, the global nature of scientific and technological progress and an increase in the degree of openness of national economies and free trade.

Economic integration, in particular, is expressed in:

- cooperation between national economies of different countries;
- elimination of barriers in the movement of goods, services, capital, labor between these countries;
- the convergence of the markets of each of the individual countries in order to form one single (common) market;
- the absence of one form or another of discrimination against foreign partners in each of the national economies, etc.

The processes of economic integration are ongoing both bilaterally and regionally or globally. At present, their development at the regional level can be called a characteristic feature of integration associations: integrated regional economic complexes with common supranational and interstate governing bodies are being created.

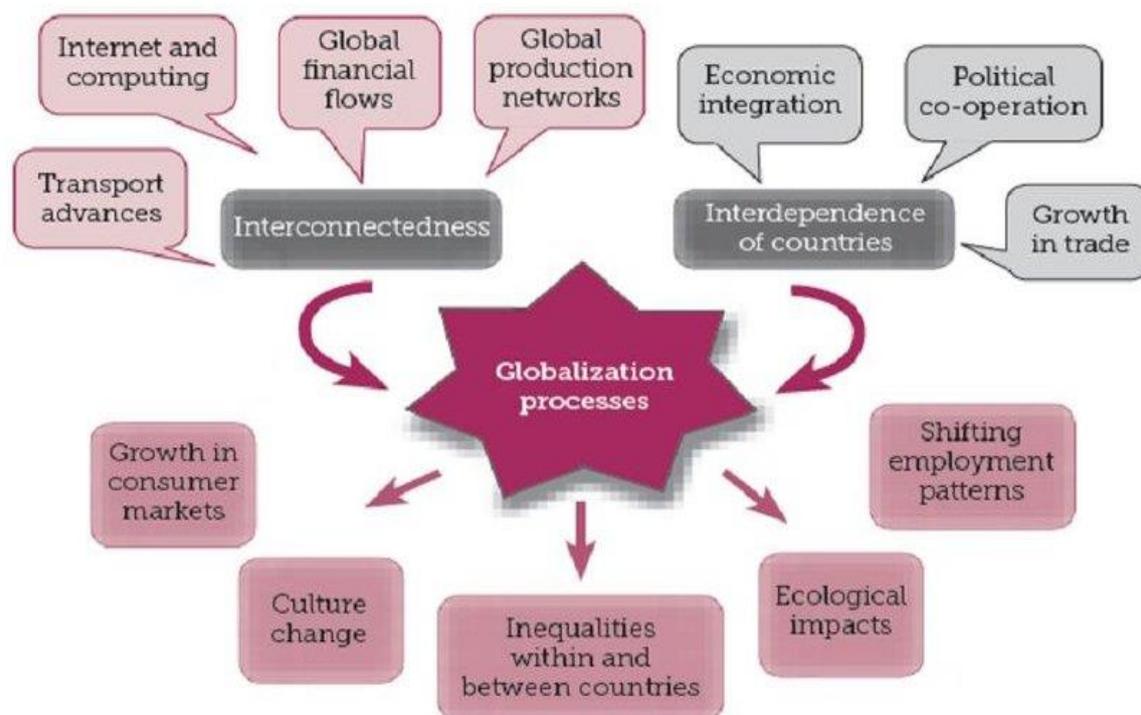


Fig. 1 The process of economic integration

Source: Compiled by authors

At the present stage, profound changes are taking place in the entire system of international relations. Their essential feature is globalization.

Economic integration fully fits into the process of globalization, making up its core, and globalization itself represents a higher stage of internationalization, its further development, when long accumulating quantitative changes have led to a quantum leap. The world is becoming a single market for most TNCs and, in addition, most regions are open to their activities.

Meanwhile, globalization has become an important real aspect of the modern world system, one of the most influential forces that determine the future course of development of our planet. Globalization here means a huge increase in the scale of world trade and other processes of international exchange in an increasingly open, integrated, non-recognizing world economy.

It should be noted that globalization has a great influence on the economies of all countries, which has a multifaceted character. It affects the production of goods and services, the use of labor, investment in human capital, technology and their diffusion from one country to another. All this ultimately affects production efficiency, labor productivity and competitiveness. The processes of global development, within which the structures of national production and finance become interdependent, are accelerated as a result of an increase in the number of concluded and implemented external transactions.

Furthermore globalization, covering all regions and sectors of the world economy, fundamentally changes the relationship between external and internal factors of development of national economies in favor of the former. No national economy, regardless of the size of countries (large, medium, small) and level of development (developed, growing or transitional) can no longer be self-sufficient, based on existing factors of production, technology and capital requirements. Not a single state is able to rationally formulate and implement an economic development strategy without taking into account the priorities and norms of behavior of the main participants in world economic activity.

The globalization process covers various areas of the global economy, namely:

- foreign, international, world trade in goods, services, technologies, intellectual property;
- The international movement of factors of production (labor, capital, information);
- international financial credit and foreign exchange operations (gratuitous financing and assistance, loans and borrowings of subjects of international economic relations, operations with securities, special financial mechanisms and instruments, operations with currency);
- industrial, scientific, technical, technological, engineering and informational cooperation.

Modern globalization of the world economy is expressed in the following processes:

- deepening, first of all, the internationalization of production, and not exchange, as was the case before. The internationalization of production is manifested in the fact that manufacturers of many countries of the world participate in the creation of the final product in different forms and at different stages. Intermediate goods and semi-finished products occupy an increasing share in world trade and in corporate transfers. The institutional form of internationalization of production are transnational corporations;
- deepening the internationalization of capital, which consists in the growth of international capital flows between countries, primarily in the form of direct investment (and the volume of foreign direct investment is growing faster than foreign trade and production), the internationalization of the stock market;
- globalization of productive forces through the exchange of means of production and scientific, technical, technological knowledge, as well as in the form of international specialization and cooperation, linking economic units into integral production and consumer systems; through production cooperation, international transfer of production resources;
- the formation of a global material, information, organizational and economic infrastructure that ensures the implementation of international cooperation;
- strengthening the internationalization of exchange on the basis of deepening the international division of labor, increasing the scale and qualitative change in the nature of traditional international trade in material goods. The increasingly important area of international cooperation is the service sector, which is developing faster than the sphere of material production;
- increasing the scale of international labor migration, the growing internationalization of the impact of production and consumption on the environment,

which causes an increase in the need for international cooperation aimed at solving the global problems of our time.

Globalization and integration are multi-level phenomena affecting: regional, national economies (macro level); commodity, financial and foreign exchange markets, labor markets (mesoscale); individual companies (micro level).

At the macroeconomic level, globalization is manifested in the desire of states and integration associations for economic activity outside their borders through trade liberalization, removal of trade and investment barriers, creation of free trade zones, etc. In addition, the processes of globalization and integration cover interstate coordinated measures for the targeted formation of the global economic market (economic, legal, informational, political) space in large regions of the world.

At the microeconomic level, globalization is manifested in the expansion of companies beyond the domestic market [3]. Most of the largest multinational corporations have to operate on a global scale: any high-consumption area becomes their market, they must be able to satisfy consumer demand everywhere, regardless of borders and nationality. Various links and stages of design, production and marketing of products are located in different countries, unifying on an international scale.

The global economic space remains significantly heterogeneous due to the widening of the technological gap between countries compared to the beginning of the industrial era (Table 1).

Table 1.

Stages of the formation of technological structures

STAGES	TECHNOLOGICAL STRUCTURE	INDUSTRY DEVELOPMENT	YEARS
I	Mechanical looms	Textile	1770-1830
II	Steam engine	Engineering, heavy industry, transport	1830-1880
III	Electric power	Electrical engineering, mechanical engineering, metallurgy	1880-1930
IV	Chemistry and internal combustion engine	Automotive, petrochemicals, synthetic materials, aviation industry	1930-1980
V	Information and communications technology and biotechnology	Communications industry, computer manufacturing, pharmaceuticals, medicine	1980 and present
VI	Nanotechnology	Microelectronics, medicine, space, renewable energy, new materials	forecast

Source: compiled by the author according to the scientific literature [4]

In developed countries, the fourth and fifth technological patterns prevail, in middle-level countries, the third and fourth patterns prevail, while pre-industrial technologies are preserved in countries of the world periphery. On this basis, countries that have advanced ahead, using the most effective technologies, export high-tech goods and services (for example, computers, software, cell phones, space communications services, etc.) to countries with low and medium levels of development, while receiving huge super profits.

At the same time, it should be noted that, modern globalization processes are unfolding, first of all, between industrialized countries and only secondarily cover developing countries. Globalization strengthens the position of the first group of countries

and gives them additional advantages. At the same time, the deployment of globalization processes within the framework of the modern international division of labor threatens to freeze the current situation of less developed countries of the so-called world periphery, which are becoming more likely objects than subjects of globalization.

Conclusion

To conclude, given the rough distribution of the benefits of globalization, the negative consequences of globalization processes in a particular country will certainly depend on the place this country occupies in the global economy. In this regard, three groups of threats, dangers, potential problems arising at the present stage of development of integration processes have been identified. First of all, it is necessary to highlight the dangers of globalization that exist for all countries, then potentially could arise in less developed and, separately, in industrialized countries and, finally, the most significant negative consequences of globalization processes.

The problems that could potentially cause negative consequences from globalization processes in all countries include:

- uneven distribution of benefits from globalization in the context of individual sectors of the national economy;
- possible de-industrialization of national economies;
- the possibility of transfer of control over the economy of individual countries from sovereign governments to other hands, including to more powerful states, transnational corporations or international organizations;
- possible destabilization of the financial sector, local economic fluctuations or crises in one country can have regional or even global consequences, in particular the global financial crisis.

The most negative consequences of globalization may be felt by less developed countries belonging to the so-called world periphery. The bulk of them, participating in internationalization as suppliers of raw materials and manufacturers of labor-intensive products (and some of them are suppliers of parts and assemblies for modern complex equipment), are fully dependent on advanced powers and have incomes, firstly, smaller ones -second, very unstable, depending on world market conditions.

Globalization for such countries raises, in addition to the above, many other problems:

- an increase in the technological gap from developed countries;
- increased dependence of less developed countries on the stability and normal functioning of the world economic system;
- restriction by TNCs of the ability of states to pursue a nationally oriented economic policy;
- the growth of external debt, primarily to international financial organizations, which impedes further progress.

As already noted, the largest benefits from participating in globalization are industrialized countries, which are able to reduce production costs and focus on the production of the most profitable high-tech products, transfer labor-intensive and technologically dirty industries to developing countries. But industrialized countries may also suffer from globalization processes, which, if not managed, will increase

unemployment, increase the instability of financial markets, etc., as evidenced by the global financial and economic crisis in 2008.

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