

The Nature and Factors of Competitiveness of the Country's Economy

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Abstract:

In this article, international economic competition is the most important factor of technical development, and its influence will continue the process of constant updating of production and management technologies, types of products will be updated and quality improvement will be reflected.

Keywords: Competition, product competitiveness, industrial enterprises, management, innovation, innovation management, innovation activity.

No matter which model of economic development the countries of the world choose, the position and place of the country's economy in the world economy is determined by its level of competitiveness. International economic competition is the most important factor of technical development, and under its influence, the process of constant updating of production and management technologies continues, the types of manufactured products are updated and their quality increases.

First of all, it is necessary to ensure rapid development and well-directed support of industries and enterprises that can compete equally in the world market and can become a locomotive of economic growth, further modernization and diversification of the economy at the next stage. Competitiveness is usually understood as the ability of producers of goods to produce for sale in the foreign market at a price that ensures minimum profitability. It should be noted that competitiveness is not limited to the goods market, but has a macroeconomic description.

Historically, the concept of competitiveness of countries is based on the theory of comparative advantages, which determines the position of the national economy in the international division of labor.

Comparative advantages are given to the country by nature, they are not eternal and cannot be reproduced. These competitive advantages are based on the development of science and technology, integration with production, globalization at the production level, and innovation at all stages, from the production of goods to their delivery to the consumer.

Uzbekistan has the following comparative advantages:

- availability of favorable natural and climatic conditions for agricultural development;
- possession of rich natural resources and recreation resources;
- the possession of a rich cultural and historical heritage allows for the development of tourism;
- convenient geographical location of the country;
- the availability of labor resources of the population of Uzbekistan with industriousness and entrepreneurial ability.

If we analyze the competitive advantages of Uzbekistan, the following can be distinguished:

- the stability of the country's political and legal system;
- large investments in human development (education, healthcare, social needs);
- the length of the average life expectancy of the population;
- competitiveness of labor resources;
- high level of education of the country's population.

As mentioned above, along with having comparative advantages, it is necessary to develop the competitive advantages of the national economy of the republic. In this case, in order to increase the competitiveness of the economy, the main attention should be paid to the following factors, in particular: the stability of the country's political and legal system, the competitiveness of labor resources and the high level of education of the country's population¹.

Thus, competitive advantages are variable, related to the development of human capital, innovative high technologies, intelligence, and are unlimited in nature. A country's comparative and competitive advantages should be clearly distinguished. The integration of comparative and competitive advantages in a country strengthens its competitiveness in the global economy.

An important condition for ensuring the sustainable development of the world economy and creating international competition is determined by the openness of the economy of the countries of the world. The liberalization of Uzbekistan's economy is deepening, the degree of openness is increasing, and its integration into the world economy is becoming stronger.

According to some economists, the degree of openness of the economy depends on the sectoral structure of national production. The higher the share of basic industries in the total production volume, the lower the degree of openness of the economy. This situation is explained by the low level of involvement of the basic industries in the process of international specialization and the fact that they are mainly focused on the domestic market.

As mentioned, the openness of the economy is an important condition of international economic competition. How is the competitiveness of countries determined and what does it depend on? Why are some countries more competitive than others?

The concept of competitiveness is defined in the economic literature as the real and potential capabilities of firms to design, manufacture and sell goods in relation to their competitors in the current conditions.

Harvard University professor M. According to Porter, the level of competitiveness of the country is ensured by the competitiveness of the products, firms, industries produced by its national companies. Therefore, it is necessary to analyze not the competitiveness of the country, but the competitiveness of national companies. He emphasizes that creating an enabling environment that will ensure the success of the country's companies depends on the following four important indicators:²

- provision of production factors;
- demand indicators;
- close and service networks;
- competitive environment and firm strategy.

¹ Ўзбекистон иқтисодиётининг ракобатбардошлигини ошириш муаммолари: назария ва амалиёт / Муаллифлар жамоаси: Р.О. Алимов, А.Ф. Расулов, А.М. Қодиров ва бошқалар // С.С. Фуломов таҳрири остида. –Т.: Konsauditinform-Nashr, 2006. 266.

² Портрет М. Конкуренция. /Пер. с англ. - М.: Издательский дом "Вильямс", 2002. С. 176.

Effective activity of national companies within this environment determines the country's competitiveness rating.

In global practice, experts use more than 340 indicators and more than 100 methods to determine the competitiveness of the national economy. In determining the competitiveness of the country, the following serve as the main factors: economic potential and growth rates of the economy; efficiency of industrial production; the level of development of scientific and technical progress and the pace of its assimilation; participation in international division of labor; internal market size and dynamics; the role of the state in the economy; flexibility of the financial system; supply of labor resources and level of qualification; internal political and socio-economic situation; the level and ability of the economy to adapt to the demand of the world market.

The International Institute for Management Development, located in Lausanne, Switzerland, annually evaluates the world's 47 leading countries in terms of competitiveness. Analyses are carried out on 8 factors grouped by 287 criteria: description of the national economy - GDP volume, investment and savings volume, final consumption level, standard of living of the population, level of efficiency of the economy; degree of internationalization of the economy; stability of the political system; financial system; infrastructure; efficiency of management; level of development of science and technology; description of labor resources.

One of the international studies analyzing the competitiveness of countries is the methodology of the World Economic Forum. In the process of research, the aggregate indices of competitiveness are calculated based on the important macroeconomic and microeconomic indicators that describe the dynamics of medium and long-term development in the assessment of the country's economic growth. This methodology has been used for 30 years, and its results are published in the Global Competitiveness Report of the World Economic Forum.

The assessment of the competitiveness of the country's light industrial enterprises involves the calculation of competitiveness indicators based on the main factors, based on the collection, grouping, and generalization of a large number of data. Then aggregate index and sub-indices reflecting the contribution of all factors to the competitiveness index are calculated. In the methodology of determining the competitiveness of the modern national economy, 12 main factors are distinguished.

In short, focusing on strengthening the position of our national economy in the world economic system on the basis of increasing the competitiveness of the products manufactured in the country's enterprises, "Primary attention should be paid to the preparation and implementation of a program to increase the competitiveness of our country's economy.

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