
The Essence of Economic Competitiveness, Factors and Ways of Sustainable Economic Development

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Abstract: This article was devoted to the economics of the reformation in conditions associated with the restoration of conditions in accordance with the tasks of solving this problem, a competitive economy that provides.

Key words: Competition, product competitiveness, industrial enterprises, management, innovation, innovation management, innovation activity.

In the conditions of instability in the world markets, the issue of ensuring the competitiveness of the economy takes priority in solving the task of sustainable development of our country.

It is known that the competitiveness of the economy is manifested in different forms and levels. These are:

- competitiveness of the products produced by the country's enterprises;
- competitiveness of the country's enterprises (firms);
- competitiveness of national economy sectors;
- competitiveness of the national economy;
- the competitiveness of the country.

Some experts combine the last two forms of competition and add employee competition to this classification.

The competitiveness of the product is determined by its superiority over the products of other manufacturers of the same type in terms of quality and price.

The competitiveness of firms is determined by the ability to produce and deliver the same or substitute products in terms of consumer characteristics at lower prices and with better quality compared to similar, competing enterprises.

A number of factors determine the competitive advantages of companies. These can be divided into two groups:

- 1) level of development of national companies;
- 2) the quality of the macroeconomic business environment¹.

In the reports of the participants of the annual World Economic Forum in Davos, Switzerland, it is emphasized that competitiveness at the level of firms is related to four main factors:

¹ Ўзбекистон иқтисодий тинч рақобатдошлигини ошириш муаммолари: назария ва амалиёт/ муаллифлар жамоаси: Р.Алимов, А.Расулев, А.Қодиров ва бошқ. –Т.: Konsauditinform-Nashr. 2006, 14-б.

- resources (availability, volume and quality of resources for the enterprise to start production in the country);
- external competition;
- demand;
- inter-industry relations.

The same definition can be extended to the competitiveness of industries.

Competitiveness of the national economy is the ability to produce goods and provide services that meet the demands of the world market under conditions of fair competition, provide economic growth and increase the quality of life, and maintain high rates of economic growth in the medium and long term.

The question of the competitiveness of the national economy has always been in the focus of attention of economists. The ideas that are the basis of many modern theories on this issue are covered in the researches of M. Porter.

M. Porter showed that the competitiveness of the country's economy does not depend only on its good supply of resources, it is possible to form and maintain a competitive advantage and put forward the opinion that it is achieved by ensuring the competitiveness of the country's firms.

According to M. Porter's concept of the formation and development of competitiveness, the country's competitive advantages consist of four elements that make up the "national rhombus".

Below we will briefly touch on the elements that make up the "national rhombus".

1. Provision of labor, material, knowledge, money, infrastructure resources has a positive effect on the country's competitiveness. Some of these resources are pre-existing, while others are created and developed.
2. The volume, composition and changes in the demand for products produced in the country in the domestic and foreign markets have a direct impact on the competitiveness of the national economy. The increase in demand for these products increases the competitiveness of the national economy and vice versa.

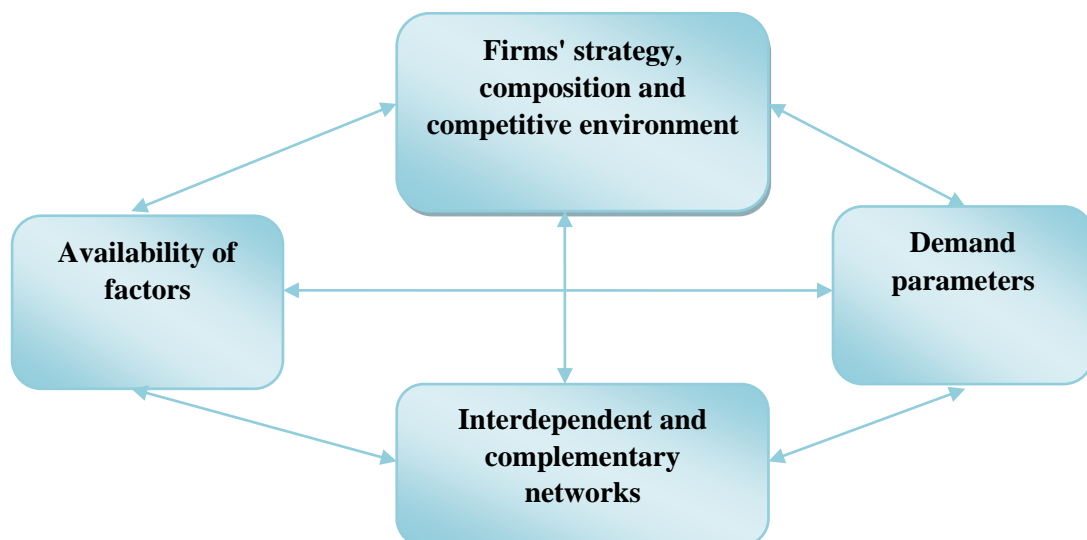


Figure 1. Elements that make up the country's competitive advantage (M. Porter's rhombus of competitive advantages).

3. The presence of competitive partner networks allows to launch the production of complex products, to find expensive resources within the country, to coordinate the activities of product suppliers, and to facilitate the introduction of innovations. Just as it is impossible to be competitive in the production of automobiles, which require thousands of components, without

the production of most of these parts domestically, the abundance of raw cotton alone will not be enough to ensure competitiveness in the production of shirts without the presence of factories producing chemical fibers, buttons, and quality dyes.

4. The characteristics of competition are taken into account in the management of the firm. Different strategies and goals are developed in this. The presence of fierce competition in the domestic market encourages companies to improve their activities and enter foreign markets to expand production. Firms that thrive in a highly competitive domestic environment are more likely to succeed in foreign markets. Therefore, measures of the government, such as creating an environment of free competition in the country, fighting against monopolization, are important.

These four elements are influenced by government activities and contingencies. Accidents include events that are not related to the general conditions of the country's development, the occurrence of which neither the company nor the state can influence. political decisions of foreign governments, wars and natural disasters can be included.

Government shapes and changes the competitiveness of a national economy by influencing all four elements.

Therefore, the level of competitiveness of the national economy depends on its natural resource potential, the number and quality of labor resources (skill level), the level of technical and technological modernization of production, the improvement and diversification of the structural structure of the economy, the convenience of the conditions created for doing business, the products produced in the country's enterprises it can be concluded that it depends on the amount of demand, the extent to which the state's strategy of economic development and reforms is scientifically based and takes into account the processes of change, as well as several other factors.

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