

THE CONCEPT OF COMPETITIVE ENVIRONMENT IN THE NATIONAL ECONOMY AND ITS ESSENCE

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Abstract

This article describes the origin of competition and the content of this concept. Also, the role and importance of the development of competition in the economy is explained in detail.

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National economy – is a form of existence of social economy; the historically formed or fundamentally renewed, changing and developing property and other socio-economic relations of the country, the nation (people) living in the state territory, the system of economic activity fields, industries, organizations, enterprises, territories and regions conditioned by them, which also have local characteristics. A national economic system that is as free from external market influences as possible. The national economy is connected with the emergence and settlement of capitalism, and for the first time it was formed in England. Currently, there are known types of national economy such as capitalist, socialist, post-socialist and capitalist oriented in less developed countries. At the same time, each specific type of economy has its own national models and forms. For example, there are American, European and Japanese types of capitalist national economy, national models and their modern form called "mixed economy". "Mixed economy" in developed countries is a capitalist national economy based on private and public capitals, regulated by the market and the state, and the general democratic principles are also gaining ground. Modern socialist national economies exist in China, Vietnam, and Cuba, giving way to private ownership, commodity-money economies, and market relations, while retaining socialist state property and enterprises in the most important sectors.

The initial results of large-scale reforms carried out on the basis of the ‘Harakatlar strategiyasi’ (Actions strategy) are clearly reflected in the lives of the people of our country. This is an important factor in strengthening their social activity and confidence in the future.

Specific tasks for the implementation of the third priority directions of economic development and liberalization of this programmatic document are defined.

Based on this, today, serious attention is being paid to further liberalization of the economy, especially opening a wide path to entrepreneurship. Therefore, the liberalization of the economy is the decentralization of the state, which means that its economic management functions will be transferred to self-management organizations and private sectors. In this process, it is necessary to solve two important strategic tasks. First of all, the property being privatized should be handed over to the real owners. Because the creation of real conditions for the fundamental change of economic relations leads to the growth of national consciousness and the development of thinking. The next step is to end the

state's monopoly right to property by creating a pluralistic and competitive environment in the economy, and to establish enterprises of various forms of private ownership. This, in turn, has a direct impact on the living conditions of the society, changes people's attitude towards private property, and serves the formation of social consciousness. Most importantly, state property is privatized and a new layer of owners is created in the society due to the stimulation of small business. In this sense, it is gratifying that the state participation in the economy is being gradually reduced at the new stage of reforms initiated by President Shavkat Mirziyoyev.

It is known that the decrees of the President of the Republic of Uzbekistan "On measures to fundamentally improve the system of state policy implementation in the field of economic development" and "On measures to fundamentally improve urbanization processes" have been adopted, according to which the Ministry of Economy of the Republic of Uzbekistan has become the Ministry of Economy and Industry was reorganized. The competitiveness of enterprises operating in the field of services means the wide scope and perspective of their activities compared to competitive entities, the strength of the ability to get more profit by directing expenses to the goal.

At the new stage of reforms based on the principles of economic liberalization and wide introduction of market mechanisms, increasing the effectiveness of further work on reducing the role of the state in the economy and expanding the participation of the private sector, today requires the development of a clear, transparent and result-oriented mechanism of economic management. The experience of developed countries shows that competition arises on the basis of economic development. Therefore, the formation of a competitive environment is a vital necessity for every country that has transitioned to market relations, because it is impossible to form market relations without allowing perfect competition and developing competitive relations in the economy.

Competition is a process between independent producers (enterprises) to produce goods under favorable conditions and sell them at a profitable price, to strengthen their position in the economy as a whole. It represents complex relations between all market participants.

Competition is an economic mechanism for producers to take their place in the market, to increase their share of sales and to be in constant action. The Law of the Republic of Uzbekistan "On Competition" defines that 'Competition is the process of economic entities (competitors), in which their independent actions exclude or limit the possibility of each of them to unilaterally influence the general conditions of circulation in the commodity or financial market.'

Competition is a multifaceted economic phenomenon that represents complex relations between all market entities. Competition is a conflict of economic interests of market entities, which means a condition between them for higher profits and greater productivity. Competition is a necessary phenomenon when supply exceeds demand, and this is usually between goods, not between firms.

The functions of competition arises from the fact that the same demand can be satisfied in different ways, and these are:

1. ***Regulatory function;***
2. ***The function of deploying resources;***
3. ***Innovative function;***
4. ***Adapting function;***
5. ***The function of distribution;***
6. ***Control function.***

The regulatory function of competition is to influence supply in order to coordinate production with demand (consumption); the task of placing resources is to rationally place the factors of production in

enterprises, territories and regions where they will be most effective; and the function of innovation is the introduction of various types of innovations based on the achievements of scientific and technical development and requiring the development of market economy participants; the function of adaptation is aimed at the rational adaptation of enterprises (firms) to the conditions of the internal and external environment; the function of distribution directly and indirectly affects the distribution of the gross volume of goods produced among consumers; finally, the function of controlling competition is aimed at preventing some participants in the market from establishing monopolistic dominance over other participants.

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