

COMPETITION IN THE CONDITIONS OF INNOVATIVE DEVELOPMENT OF ENTERPRISES

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Abstract: the article shows the formulation of competition in modernization and diversification of economy. The economy of developed countries is characterized by a variety of forms of ownership, the intellectualization of labor, the outstripping development of human capital. In these conditions, the relations among owners, shareholders, employees and other stakeholders change significantly. The transition from isolated business entities and vertically integrated associations to matrix and network structures alters the forms and methods of competition, softens them, and brings competitiveness closer to competition, cooperation.

Keywords: economic competition, socio-economic categories, efficient distribution of resources, transnational corporations, commodity producers, synthesis of competition.

КОНКУРЕНЦИЯ В УСЛОВИЯХ ИННОВАЦИОННОГО РАЗВИТИЯ ПРЕДПРИЯТИЙ

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Аннотация: в статье показана формулировка конкуренции в области модернизации и диверсификации экономики. Экономика развитых стран характеризуется многообразием форм собственности, интеллектуализацией труда, опережающим развитием человеческого капитала. В этих условиях существенно изменяются отношения собственников, акционеров, наемных работников и других стейкхолдеров. Переход от обособленных субъектов хозяйствования и вертикально интегрированных объединений к матричным и сетевым структурам изменяет формы и методы конкуренции, смягчает их, сближает конкуренцию с состязательностью, соревнованием, сотрудничеством.

Ключевые слова: экономическая конкуренция, социально-экономические категории, эффективное распределение ресурсов, транснациональные корпорации, товаропроизводители, синтез конкуренции.

Competition refers to those socio-economic categories whose role in the development of the economy and society is sufficiently mythologized and exaggerated. The prevailing view is that competition reveals the best, contributes to the most efficient distribution of resources from the point of view of society, promotes scientific and technical progress and reduces prices with a variety of goods and high quality of products.

In the modern economy, the forms of ownership and capital have changed significantly. In developed countries, due to increased concentration of production, the economy tends to socialize. The main form of ownership is private, group personified (joint-stock) and state forms of ownership. Individual private property is inherent in small business, where competition prevails. In large-scale production, partly through the introduction of innovations associations, corporations, clusters, technological platforms are formed, within which elements of cooperation, a well-organized, planned economy are manifested. Similar processes take place at the level of the economies of states when they create regional and supranational economic unions such as the European Economic Union (EEU), transnational corporations, and so on.

There are reasons to assume that the ratio of competition and cooperation, individual and collective production changes in the conditions of the transition of the economy to an innovative development path, the growing importance of intellectual capital, and the formation of a knowledge economy. The above issues remain insufficiently developed and applied to the economies of developed countries, and countries with economies in transition, developing countries, including Uzbekistan. However, support for competition is guaranteed by the

Constitution of the Republic of Uzbekistan, it is one of the sources of the constitutional system of the Republic of Uzbekistan, as well as a permanent priority of state policy.

This situation does not correspond to reality in the modern world, in which there is limited competition of monopolies and some cooperation in domestic and foreign markets. E. Deming rightly notes that “Competition - someone won, someone lost. Cooperation – win all” [1]. Therefore, the problems of the correlation of competition and cooperation in enterprises in modern conditions of transition to an innovative development path become relevant.

The development of competition in the economy is a multifaceted task, the solution of which depends to a large extent on the effectiveness of public policy in a wide range of areas: from macroeconomic policies, the creation of a favorable investment climate, including the development of the financial and tax system, the reduction of administrative and infrastructure barriers, citizens and national policies.

Currently, the processes of uniting countries are continuing in the European and global communities, a single currency has been introduced, a real transition to an overall industrial policy, the removal of trade barriers is being implemented. The globalization of production and trade, manifested in the mobility of all components of the economic process, the development of cooperation between producers, the creation of an international contract system and general rules of market conduct require the adoption of urgent measures aimed at the formation of a competitive economy integrated into the world economy. Finding its place in the international division of labor, consolidating in certain markets – the basis of Uzbekistan’s stable economic growth. Obviously, in these conditions, joint efforts of the state and producers are needed to ensure the competitiveness of the domestic economic system. It is no coincidence that national centres for increasing competitiveness have been created in countries such as the United States, Canada, South Korea and others, which have always worked under the laws of world competition, whose main task is to ensure its growth based on:

- the formation of an industrial policy aimed at stimulating perspective production and point support of enterprises experiencing temporary difficulties;
- creation of conditions for the introduction of science and technology achievements; supporting innovation.

Analysis of recent research and publications. The economic essence of competition has been thoroughly studied in the works of the founders of classical political economy and their followers.

With regard to commodity production and market relations, the essence and significance of competition were objectively evaluated in the works of the founders, followers and supporters of classical political economy, who viewed it as one of the tools for the development of the production of material goods and services and as an important mechanism for monopolizing markets. The latter significantly hampered the technical development of production and economy. Classical political economy, unlike some schools and currents of other economic and social sciences, saw the causes of competition not in the natural essence of man, but in property relations, in commodity production as one of the conditions for maximizing profits.

Adam Smith explains that competition as the decline in the rate of capital accumulation, at the same time Karl Marx, unlike the classics of political economy - an increase in the organic structure of capital. In his “The Poverty of Philosophy” (1847), K. Marx substantiated the dialectical interdependence and synthesis of competition and monopoly. In his other scientific researches, the process of formation of monopolies and the strengthening role of large enterprises and the economic role of the state were shown.

Especially a lot of work on this issue came out in the late XIX - early XX centuries. The English economist J. Robinson (1903-1983) in “Theory of Imperfect Competition” [2], published in 1933, investigated the general state of the economy and the pricing of imperfect competition, conditioned by the dominance of monopolies. Through the theory of imperfect competition, he tried to establish a mechanism for pricing in conditions where each producer can be a monopolist of his products.

It is appropriate to recall the contribution of John Kenneth Galbraith (1908-2006) to the theory of competition by his work “American Capitalism - The Concept of Countervailing Power” (1952) [3]. He showed that the only way to control corporations is the “balancing power” of trade unions and the main buyers of intermediate products. This power gives the economy the ability to autonomously regulate. The state has the opportunity to influence the level of demand and limit inflation to price controls only.

At present, a powerful transnational capital, usually American, refutes this theory. Financial capital does not want freedom, but domination, and therefore needs a politically strong state. Such a state turns the whole world into the sphere of application of its financial capital. It can be argued that this is one of the modern destructive tendencies of the world economy. For example, stories from Nokia, Samsung. At the time of the strategic partnership agreement between Nokia and Microsoft in 2004, the value of Nokia was estimated at 20 billion euros, the company's annual sales reached 30 billion euros, providing 10% of Finland's Gross Domestic Product (GDP) [4]. The manager was delivered from Microsoft. In 5-6 years, Microsoft bought Nokia for 5 billion euros. The top manager was rewarded with more than 20 million euros. A year later the brand of Nokia disappeared, and a year later all employees were fired.

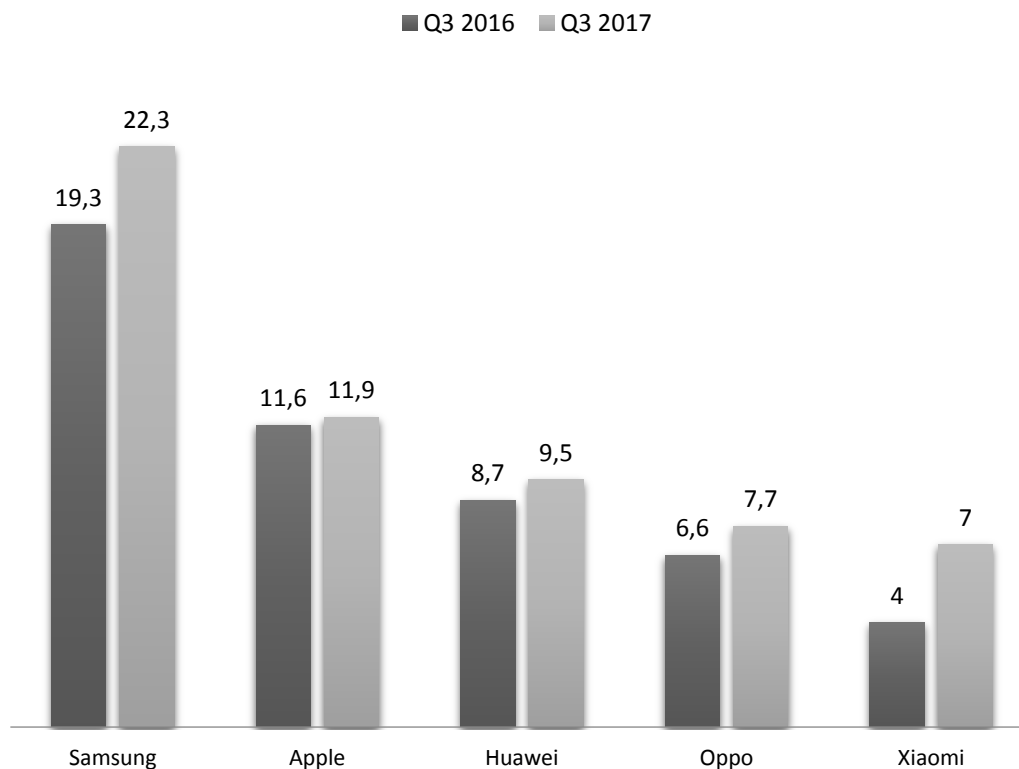


Fig. 1. Chinese Brands Challenge Samsung and Apple Worldwide smartphone market share based on unit sales to end users (%) [5]

According to statistics, Samsung and Apple defended the top two spots in the market against their challengers from China. Despite an 11 percent decline in sales compared to Quarter № 3 (Q3) 2016, Greater China is still the largest smartphone market in the world. Accounting for 27.9 percent of sales, the Chinese market is more than twice as large as the North American market in terms of unit sales.

Directions for further research:

- research of development of relations of a competition and cooperation in the conditions of formation of a postindustrial economy, economy of knowledge, a civil society;
- the influence of intellectualization of labor, the development of intellectual and human capital on the improvement of competitive relations and competitiveness, the achievement of an innovative breakthrough in the economy;
- analysis of the dialectics of relations of controlled chaos and planning, and their influence on improving the relations of competition and cooperation;
- justification of the forms of organization of production and labor, affecting the rational use of resources and production results in a market economy.

Competition is the critical driver of performance and innovation. It benefits everyone by enabling us to choose from an array to excellent products at affordable prices. Competition also encourages the adoption of innovation as companies evolve and new ideas flourish in the marketplace.

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