

The Development of the National Economy in the Globalization Process

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Abstract

This paper shows the author's point of view on the development of the national economy of Uzbekistan under the globalization influence and the development of the economy as a whole. At the same time, a controversy of opinions on the concept of "globalization", "globalism", "globality" is presented. The key factors in the development of the world economy are substantiated. The analysis results of the economic globalization impact on the macroeconomic indicators of Uzbekistan are shown, in particular, in the context of real total income per capita, the growth rate of real total income per capita.

The results of the study include the author's opinion that the positive results of the globalization development are available, first of all, to developing countries, while developing countries often face numerous problems of globalization.

Keywords: *globalization, national economy, world economy, crisis, total income of the population, integration, internationalization.*

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Introduction. The development of the world economy is in itself a global process. Since such activities as production, consumption, circulation, and in addition such factors of production as capital, labour, raw materials, management, information, technology and markets are organized on a global scale.

The development of the world economy took place with the development of human civilization, therefore its history is calculated by complex elements, which, thanks to the multi-level composition, allow developing a wide variety of connections and relations between various large and small entities, in the process of implementation of which each of them receives the desired resources, technologies and improve their activities. The influence of the world economy on the national economies of the countries of the world, of course, is undeniable, since their unification into a single system based on specialization and division of labour represents, in fact, the world economy as a whole. However, the Governments of each country are trying in this way to establish diplomatic relations within the global economy in order to get as many pluses and bonuses as possible from other countries involved in it. That is why this area is relevant for study and needs constant research aimed at finding ways to improve the interaction between the world and national economies.

This paper provides information about globalization, the results of the impact of globalization on certain areas of the economy. And also it will provide data on the national and world economies, their relationship and relationships with each other. In addition, this work examines the growth of development and globalization of the world and national economies.

The paper also reflects the key concepts of the world economy, the national economy, as well as the evolution of the concept of "globalization", and questions about the world and national economies, the relationship between them.

An analysis of the essence of the concepts of world and national economies is carried out, their structure is studied, and the influence of globalization on them is analyzed.

Research methodology.

In the process of working on the study, the author based on current trends, legislative and regulatory support, development of the county's economy, approved by legislative and regulatory acts, used a systematic approach, economic and mathematical modelling, grouping and synthesis.

Literature review. There are several facts about the use of the term «globalization» in scientific papers. In 1981, J. MacLean in his research substantiated the need to «explain the processes of increasing globalization of social relations» [6, p.47]. T. Levitt in 1983 in the Harvard Business Review justified the use of this term as an association of markets for products manufactured by large TNCs.

A pioneer in considering the concept of globalization is sociology professor Roland Robertson. In 1983, he used the word «globality» in the title of his scientific article, and in 1992 his monograph «Globalization: Social Theory and Global Culture» was published. [11] («Globalization: social theory and global culture»), he argues that the real essence of globalization is hidden, and on the contrary, much attention is paid to additional elements, such as the study of economic issues. He argues that globalization, defined «in the simplest introductory terms, is the compression of the world into 'one place'».

The basis according to which I. Wallerstein characterizes globalization is the economy. In his

opinion, the study of globalization as a phenomenon that describes the modern world is erroneous [12].

Globalization and the processes associated with it exist objectively. At the same time, their beginning should be considered not the end of the 20th century, but the middle of the 15th century, from the beginning of the emergence of new international economic relations [12].

Sociologist E. Giddens characterizes globalization as “the intensification of worldwide social relations that connect areas remote from each other in such a way that what is happening on the ground is shaped by events taking place many miles away, and vice versa” [5]. E. Giddens considers globalization from a complex point of view, including in this concept the economic system, the system of nation-states, international cooperation, and the global communication network. That is, it generalizes many things in one concept.

Professor of the University of Munich U. Beck in the book «What is globalization» gives an important division of the concepts of globalism, globality and globalization [3, P.280].

He considers globalism to be «the neoliberal ideology of domination of the world market» [3, P.222]. Globalization characterizes the process taking place in the field of the transnational. «A feature of the globalization process today lies in the empirically established expansion, density and stability of interacting regional-global communication networks and their mass media self-identification, as well as social spaces and their television streams at the cultural, political, economic, military and economic levels»[3, P.275].

The concept of «globality» implies all the global processes that have taken place throughout the evolution and development of mankind, and at the moment have begun to be realized more deeply.

The authors of the collective monograph «Modern strategic aspects of the development of accounting, auditing, statistics and taxation», exploring the development trends of accounting and accounting activities in modern conditions, believe that «the complication of socio-economic relations, the increase in the «multifactorial» of economic life, the processes of globalization make life companies increasingly dependent on social, political, environmental risks (factors), the disclosure of the impact of which on the company in the framework of traditional (financial) reporting is impossible», considering the need to use IFRS[2].

The authors of another collective monograph «Market Transformations: New Business Models, Innovative Technologies, Solutions Practice», developing this idea, argue that «from 2000 to the present, the fourth wave of globalization has been unfolding, which has the name: the era of «network globalization», the hallmark of which is the transformation of international production and technological complexes (IPTC), formed on the basis of TNCs, into an innovative structure, the so-called MegaTNCs. MegaTNK, having at its disposal an unlimited number of production, technological, financial, scientific, human resources, were able to form a global management system on the principle of a corporation» [1].

Authors such as Bryan L., Dicken P., Henderson D., Keller H., Martin H., Mittelman J., Obsfeld M., Schuman H., Schlicht O., Taylor A., Wooldridge A. globalization has been studied from economic, political, social, informational, ecological and cultural aspects. However, in our opinion, in these studies, insufficient attention was paid to the driving forces of economic globalization, the manifestation of globalization in the monetary and financial area and the field of international payments, including new requirements for state regulation of these processes.

Various scholars, based on the scope of their activities, argue about the essence and significance of globalization in different ways. The specialists include economists, politicians, sociologists, geographers, etc. And, despite the divergent views of their beliefs, they all agree on the following: globalization means the strengthening and expansion of relationships and interdependence between certain subjects. At the same time, this role can be played by different countries, individual sectors of the economy or specific people.

Analysis and results

The Essence and Significance of Globalization in the Modern Economy. Globalization includes both positive and negative aspects. The benefits of globalization are more efficient economic growth, a higher standard of living for the population, the effective adoption and generalization of technological innovations and management skills, and new economic opportunities for both individuals and entire countries. Globalization and integration of the economy can lead to an improvement in the division of labour, allow the movement of capital to any other country in order to find more favourable investment conditions[8].

Only a few people, groups or heads of state are opposed to globalization. What is the reason for their negative reaction? The fact is that there is a possibility that globalization can disrupt the stability of financial markets, negatively affect the environment, lead to cultural impoverishment, and increase wealth inequality.

More specifically, for many states, globalization has come to mean vulnerability to unfamiliar and unpredictable forces that can disrupt economic stability and cause social unrest.

Thus, globalization means more than just creating larger markets. Activities in the economic sphere cannot be separated from the more complex structure of political and social life.

Globalization shows undulating development and has already gone through several stages of development. Already in the XV-XVII centuries, certain elements of globalization were manifested, although these manifestations were rudimentary. Over time, a world economy arose in which national economies paid special attention to certain sectors of economic activity and supplemented their potential mainly through international trade.

The first foreign affiliates of manufacturing firms, such as the transatlantic telephone service, the international currency exchange regime, the first radio signal directed beyond the borders of states, appeared in the 19th century. And in the 20th century, such international organizations as the League of Nations, the IMF, the UN, GATT and the World Bank appear[4].

It is not difficult to see that in recent years the borders of states have become even more freely passable for many goods, services, capital, working capital, as well as the flow of data, ideas and historical and cultural values. Globalization can expand any market and provide a variety of opportunities for development.

Thanks to the globalization of the economy, the boundaries of economic growth are becoming larger, which provides new opportunities for the existence and increase the vitality of a wide variety of projects, ideas and technologies. Looking at the experience of a number of countries such as Thailand, Taiwan, the Republic of Korea, we can conclude that an export-oriented economic policy can lead to great growth and qualitative development of domestic production.

The ever-increasing globalization of the manufacturing process has become a permanent feature of the modern world. In the recent past, the leading indicator of commercial quality was their

belonging to any country: we all looked with interest at the country of origin of the goods, thus making a conclusion about the quality component of a particular product. To date, it is not at all easy to determine in which country this or that product was produced. For example, most of the «Japanese» technology is produced in the countries of Southeast Asia. A significant part of the «European» goods is also created in Asia. Now in Kyrgyzstan and Uzbekistan, quite a few garments of leading European designers are produced.

The production process becomes global, in other words internationalized. This applies not only to complex products, but also to very simple ones. In addition, globalization provides a more efficient growth of international trade compared to the growth of GDP. The highest growth will be displayed in the field of exchange of commercial services, such as consulting, engineering, marketing, financial and other types of services.

At the present stage of development of the globalization process, special attention is paid to the factors of production themselves: capital, labor and information resources. Another process that shows the result of globalization is the «transnationalization» of the world economy. The process of a large-scale increase in the international activity of industrial firms, banks, service companies [9], their going beyond the national borders of individual countries is transnationalization. That is, transnationalization emphasizes the institutional aspect of on-going global business processes: the activities of corporations (TNCs) and banks (TNBs) around the world.

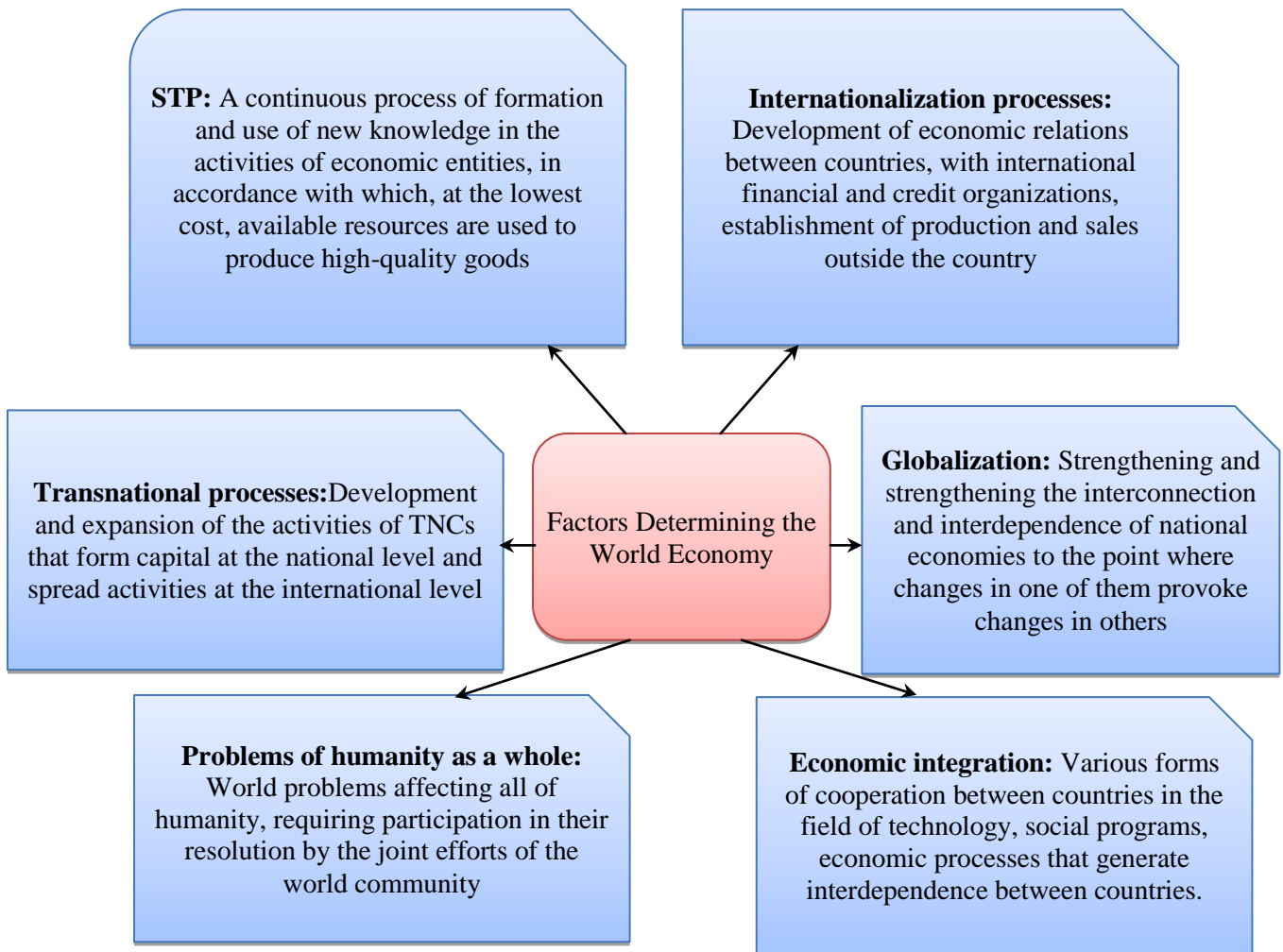
By accelerating growth, globalization increases the burden on international and national institutions. The pace of their development lags far behind the pace of change. The information revolution, uneven development, environmental problems, demographic imbalances, aging of the population of the developed part of the world lead to huge migration flows, inter-civilizational interactions and contradictions.

Features and dynamics of the development of the world economy and the national economy. The world economy is developing at a significant speed, the rapid development is closely connected with globalization, with the improvement of technology, with the division of labour and the deepening of internationalization, with the limitless and rapid spread of information flows. International financial and economic organizations, banks and transnational corporations act as the most important objects in the system of international economic relations. The system of the modern world economy is actively improving and developing. In this regard, new organizational structures appear, earlier economic formations are transferred to the current conditions of the economic environment and turn into more reliable and viable organizations. Nevertheless, all economic relations are becoming more complex and diverse, moreover, the role of companies implementing innovative solutions is growing.

The key factors in the development of the world economy are:

1. Globalization - strengthening the relationship between the subjects of the world economy.
2. Internationalization of the economy and production, that is, reproduction goes beyond national borders.
3. The scientific and technological process is a continuous process of discoveries, as well as the application of new knowledge in practice, which are based on the production of high quality goods at minimal cost.
4. Transnationalization, that is, the expansion, strengthening of transnational corporations, international in control and functioning of capital.

5. International economic integration is a whole complex of various forms of mutually beneficial cooperation between states, which leads to the dependence of these countries on each other.
6. Post-industrialization, that is, the transition to a post-industrial society from an industrial one, characterized by a high quality of education, a new vision of labour activity, good conditions for the development of small businesses and an attentive attitude to the environment.



In addition to development factors, there are also indicators of the development of the world economy, among which the most important are GDP and GNP, that is, gross national product and gross domestic product. The concept of GNP refers to the market price of goods, works and services that have been produced for a certain period of time (usually annual rates). In turn, the GDP indicator measures the value of goods produced in the territory of a particular state, and it does not matter whether the goods produced belong to the citizens of that country or foreigners. GDP and GNP determine the value of goods already ready for consumption, and not goods for the production of something else.

Another important indicator is the type of economic growth, which includes qualitative and quantitative shifts in production. In addition to these indicators, there is also the GMP-Gross

World Product indicator. This is the combined GDP of all countries in the world.

Based on long-term research, scientists and economists believe that the international state of the economy has a great influence on the dynamics of the development of any country. In the current century, namely in the first 10-20 years, this influence will be considered mainly by such features as: globalization, further globalization of trade, strengthening the role of the economy, multipolarity, currency bipolarity, ecology.

The world economy is complementary in relation to the national economy, and the macro level is the main level of determining the state and functioning of the economy in the modern world. There are the following criteria for a key level of functioning of the economy:

- where major decisions are made regarding the regulation and control of the economy;
- where do most of the resources come from;
- where the bulk of the connections are directed.

Everything leads to a national economy, because it is the national governments that are the main regulators of economic processes.

Wassily Leontiev, a Nobel Prize-winning scientist, gave the following definition to the national economy: «The national economy is a self-regulating system consisting of a large number of different interrelated activities»[7].

But this definition is not entirely complete or transparent, since the national economy can be attributed to both the political system and the social system.

Organizations, enterprises, households, firms, interconnected by economic relationships into a single whole, performing a number of specific functions in the social division of labour, producing goods and services are the basis of the national economy.

National economy in the context of the development of globalization. When studying the factors that determine the socio-economic development of any country, it is necessary to include each time the features, as well as the nature of the relationship of social and economic factors underlying the functioning of the state and cultural values. It is impossible to know the process of socio-economic development of society outside the unity and opposition of economy and culture.

Socio-economic processes in the past, to an even greater extent in the present and, especially, in the future, are and will be based on social factors (spiritual, non-material values of a person's existence, his national culture), which gradually and more and more confidently declare themselves as a priority against the backdrop of the crisis of the «consumer society».

From the standpoint of a macroeconomic approach to the study of the relationship between economic and social processes in the development of society, it is necessary to analyse aggregated indicators both for the country as a whole and per capita. The main indicators characterizing the dynamics of the socio-economic development of the state, allowing to assess the balancing of the social and economic interests of society are:

- gross domestic product, gross national income;
- per capita income, average wage, unemployment rate (employment);
- inflation rate, labour productivity growth rates, etc.

In addition to traditional macro indicators, the international approach of macroeconomic analysis, proposed by the UN on the basis of an integral indicator (Human Development Index, HDI), is actively used, calculated annually for cross-country comparison and measurement of living standards, literacy, education and longevity, as the main characteristics of the human potential of the study area. The following data are used to calculate the HDI:

- real and predicted life expectancy;
- the level of literacy of the population and education;
- indicators of literacy and learning;
- real GDP per capita, etc.

All of the above macroeconomic indicators of the social orientation of the country's economic growth are equally important, and together they determine the content of the state's socio-economic policy, making it possible to assess its effectiveness for society.

As world development shows, there will be no full and harmonious development of the country without integration into the world economic community. In turn, globalization has both positive and negative consequences for the country. The main positive and negative impacts of globalization processes on the development of the national economy, scientists and economists, as a rule, include the following:

- positive: accelerating the introduction of scientific and technological achievements and modern management methods; new economic opportunities for countries and populations; opportunities to ensure social stability and a higher standard of living for the population;
- negative: increasing inequality associated with the concentration of benefits and opportunities in a limited number of countries (and may be unevenly distributed in these countries as well); which affects the growth of instability of economically underdeveloped states; serious environmental consequences for earthly civilization; growing threats to the integrity of national cultures and challenges to the sovereignty of states.

Thus, the global spread of the scale of the corona virus pandemic, the measures taken against it, and the panic caused serious damage to production, which ultimately led to a recession in the economies of the world. As a result, global economic growth has declined. The impact of this situation on countries is strong and lasting.

In general, it is quite natural that the consequences of these negative trends in the global economy have had an impact on Uzbekistan as part of the global economy.

Table 1 - The impact of the globalization of the world economy on the macroeconomic indicators of Uzbekistan, % [10]

	2000	2005	2010	2016	2017	2018	2019	2020	2021
I. GDP, total	103,8	107,0	107,1	105,9	104,4	105,4	105,7	101,9	107,4
Gross value added of industries	103,8	106,5	107,5	106,0	104,3	105,3	105,8	101,9	107,5
Nettaxes on products	104,2	110,0	104,1	105,7	105,7	105,9	104,7	101,6	106,7
II. Gross value added of industries	103,8	106,5	107,5	106,0	104,3	105,3	105,8	101,9	107,5
Agriculture, forestry and fisheries	103,2	105,9	106,1	106,2	101,2	100,3	103,1	102,9	104,0
Industry (including	101,8	105,3	105,5	105,9	105,4	111,5	108,3	102,5	108,4

construction)									
Services	105,4	107,6	109,6	105,9	106,0	105,2	106,0	100,7	109,2

The total income of the entire population, family, and individual is important for characterizing the well-being of the population. According to available data, in 2021, the total aggregate income of the population in Uzbekistan reached 515.7 trillion soums. The real growth rate of total per capita income for 2021 was 109.9%. The same indicator for 2020 was recorded at the level of 98.6% and for 2019 - 104.2%. Thus, it can be concluded that, despite the fact that the level of integration of Uzbekistan has been growing over the years, the real total incomes of the population over the past 11 years have increased by more than 6.5 times, their growth rate is slightly lower than in 2000. -2013 (Fig. 2 and 3).

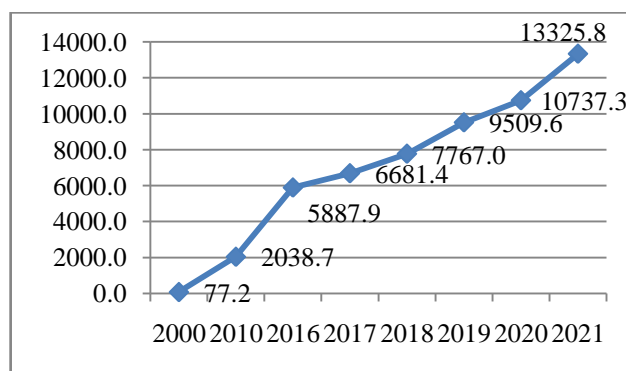


Fig.2. Real total income per capita, thousand soums[10]

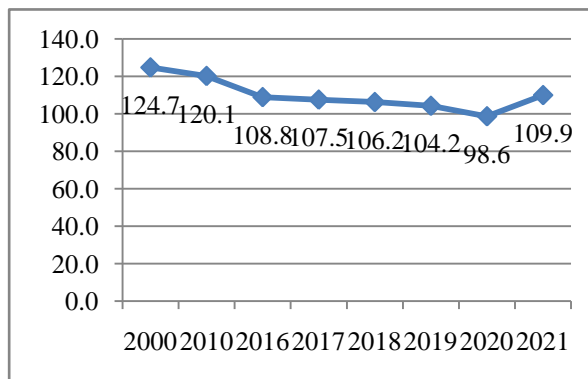


Fig.3. Growth rate of real total per capita income, % [10]

Despite the fact that the level of integration in general in Uzbekistan is not as high as in developed countries, the major changes taking place in these countries have certainly had a serious impact on the country's economy. Since in the structure of the total income of the population income from transfers is 25.3%, this situation had a significant impact on the standard of living of the population in Uzbekistan.

That is why measures were taken to stimulate economic activity and support employment. In particular, funding for small businesses was expanded, various types of tax incentives were provided for all categories of business (reduction of tax rates for a specific period, provision of «tax holidays», «tax credits» and the possibility to extend repayment in the long term, as well as the introduction of quick return mechanisms VAT), the grace period was extended, and the loans

issued were restructured. For regions and industries with a high probability of economic damage, measures have been taken to reduce the cost of energy resources.

A moratorium on all licensing and bureaucratic procedures has been declared, a mechanism has been established for quickly resolving issues that arise in the activities of business entities, cardinal measures have been taken and are being taken to ensure employment, to stimulate the organization of short-term jobs.

The measures taken, of course, contributed to reducing the negative impact of external global economic consequences on Uzbekistan and contribute to balancing the economic situation.

The investment component should also be singled out separately. The reduction of the main interest rates by the central banks of many countries is aimed at increasing investment attractiveness, both in the financial sector and in the real sector of the economy. Therefore, in Uzbekistan, special attention should be paid to the further development of a favourable investment environment, to increase investment attractiveness.

These and other questions stimulate the adoption of important short-term measures on this situation in Uzbekistan. Reforms in fiscal and monetary policy are aimed at this, structural reforms in the country have been strengthened. These and subsequent measures will help stabilize economic growth, increase consumer and investor confidence, and will undoubtedly reduce uncertainty..

Thus, globalization, like every economic process, carries both positive and negative consequences, at the same time, the benefits of globalization are distributed unevenly between countries: as a rule, industrialized countries receive a significant part of their benefits, while developing countries' economies are facing multiple challenges of globalization.

Conclusion. Based on the study and in accordance with the tasks set, the following conclusions can be drawn.

Globalization is an objective phase in the development of the international economy, which is a consequence of the transformation of the world economy into an open system mediated by commodity-money relations and information communications. The world economy has become an open economic system as a result of the process of internationalization of the economy, which manifested itself in the deepening and expansion of international economic cooperation. Attempts to identify globalization with the process of homogenization of the world community, one of the manifestations of which is the gradual contraction of the world community into a single space, in our opinion, are untenable. The gradual complication and the emergence of new types of world economic relations led to a qualitatively new stage in the development of the internationalization process, in which human society and the states of the world enter a new phase of interaction, characterized by boundlessness and universality - the phase of globalization.

Opinions about the entry of the world economy into an era of deglobalization, characterized by the desire of countries to localize their development and, as a result, to less interconnection and interdependence of the world's economies, are based only on an incomplete reflection of such a complex process as globalization. The arguments of the supporters of deglobalization are limited to the sphere of exchange, however, as it was found, the process of globalization affects the entire reproduction cycle. As a result, the current state of globalization characterizes the level of internationalization of the reproduction process on the scale of the world economy.

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