



Electronic Commerce in Increase the Competitiveness of the Country's Economy

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ABSTRACT

What areas should be developed and what reforms should be implemented to increase the competitiveness of the country's economy. At a time when all countries are on the path of development, issues such as how Uzbekistan can increase its competitiveness and the role of electronic trade in this have been considered.

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Introduction. The modern stage of development of market relations manifests itself with the electronicization of economic activity and the increasing expansion of business forms based on innovative approaches. In the conditions of the modern economy, the traditional methods of economic activity and business conduct do not meet the requirements of new trends, and national economies and business entities are not able to ensure competitiveness. The widespread use of information and communication and digital technologies in human life leads to further improvement and acceleration of economic activity. In this regard, the formation and development of e-commerce and e-trade

mechanisms is of particular importance. E-commerce accelerates economic activity and provides an opportunity to significantly increase its efficiency. The use of electronic methods of doing business, on the one hand, by stimulating the sale of goods and services, expands the markets due to the strengthening of relations with customers, and on the other hand, it leads to a reduction of current costs. The mechanism of electronic trade is also considered to be a special stage, so to speak, an important discovery in the path of economic development trends and scientific and technical progress. This mechanism has once again demonstrated its incomparable advantage in the conditions of the global quarantine and the COVID-19 coronavirus pandemic, which has covered the entire world today, and has clearly confirmed that e-commerce is an indispensable mechanism for effective economic activity.

The modernized society is at such a stage of development that the rapid spread of new information and communication technologies and, on this basis, fundamental changes are taking place in the important links of social and economic life.

Literature review and methods. There are attempts to interpret the activity and concept of e-commerce in scientific literature based on different approaches, and it is important to study its signs in order to clarify the essence of this concept ¹. A number of researchers, including A. Orlova ² and N. Minenkova, point ³ to the use of electronic communication tools in the execution of trade agreements and the movement of goods (services) as the main characteristics of electronic trade. Electronic trade has several advantages over traditional trading methods: it excludes the inconvenience of the geographical location of the parties to the transaction and shortens the time of negotiations between them, as well as accelerates the process of receiving and providing the necessary information.

Unlike traditional sales methods, e-commerce offers automated customer service and support at any time of the day. In turn, the fact that this process does not require additional costs associated with hiring service personnel is one of the important advantages for business. Citing the electronic trading system of the "Amazon" company is a clear example of this. "Amazon" sells all of its products through the Internet without traditional stores and stores, and coordinates the entire process of delivery to consumers. Producers do not need to accumulate large stocks of goods ⁴.

In general, the following signs (features) of electronic commerce can be distinguished ⁵:

- improved form of formalization of traditional transactions using electronic means;
- technological innovation of doing business by automating the processes of accepting orders from customers and working;
- establishment of a completely new - remote method between the seller and the consumer;
- a complex structure of electronic trade legal relations, which implies the emergence of new entities in social relations, unlike traditional trade.

The article uses such methods as scientific abstraction, expert evaluation, induction and deduction,

¹ Emanova N.S. "Signs of e-commerce". Bulletin of Omsk University. Series "Right". 2014. No. 1 (38). pp. 48-50.

² Orlov A. "There is no agreement on electronic commerce in the World Trade Organization"//Ibusiness. - 2001. - No. 1. - P. 23.

³ Minenkova N.V. "International legal and national legal regulation of electronic commerce": author. dis. cand. legal Sciences. - M., 2008. - S. 27.

⁴ Kozier D. "Electronic Commerce". - M.: Russian edition, 1999. - P. 6.

⁵ Emanova N.S. "Signs of e-commerce". Bulletin of Omsk University. Series "Right". 2014. No. 1 (38). pp. 48-50.

systematic analysis of socio-economic phenomena, economic-statistical analysis, and comparative analysis.

Results. World rankings based on the research of two organizations are recognized for the country's competitiveness. These are:

- Global Competitiveness Index (Global Competitiveness Index) is a ranking of the countries of the world in terms of economic competitiveness, according to the data of the global research and the World Economic Forum.
- The Global Competitiveness Ranking (IMD World Competitiveness Ranking) is an annual ranking of the world's countries in terms of economic competitiveness, according to the Institute of Management Development.

The World Economic Forum defines national competitiveness as the ability of a country and its institutions to ensure sustainable economic growth in the medium term. The authors of the study note that countries with high national competitiveness indicators, as a rule, ensure a high level of well-being of their citizens. Countries seeking to overcome obstacles to economic development and competitiveness should use the index as a tool to analyze problematic issues in their economic policy and develop strategies to achieve sustainable economic development.

The Global Competitiveness Index consists of 113 variables that describe in detail the competitiveness of the countries of the world at different levels of economic development. All variables are combined into 12 criteria that determine national competitiveness:

1. Quality of institutions.
2. Infrastructure.
3. Macroeconomic stability.
4. Health care and primary education.
5. Higher education and professional training.
6. Efficiency of the goods and services market.
7. Labor market efficiency.
8. Development of the financial market.
9. Level of technological development.
10. Domestic market size.
11. Competitiveness of companies.
12. Innovative potential.

We can see the results of these studies in Table 1.

Table 1. Ranking of countries according to the Global Competitiveness Index⁶

Rating	Country	Index
1	Singapore	84.8
2	American joint states	83.7
3	Hong Kong	83.1
4	Netherlands	82.4
28	X dog	73.9
43	Russia	66.7
55	Kazakhstan	62.9
96	Kyrgyzstan	54.0
141	Chad	35.1

We can see in Figure 1, which of the World Economic Forum's competitiveness criteria will be affected by changes in e-commerce and its infrastructure.

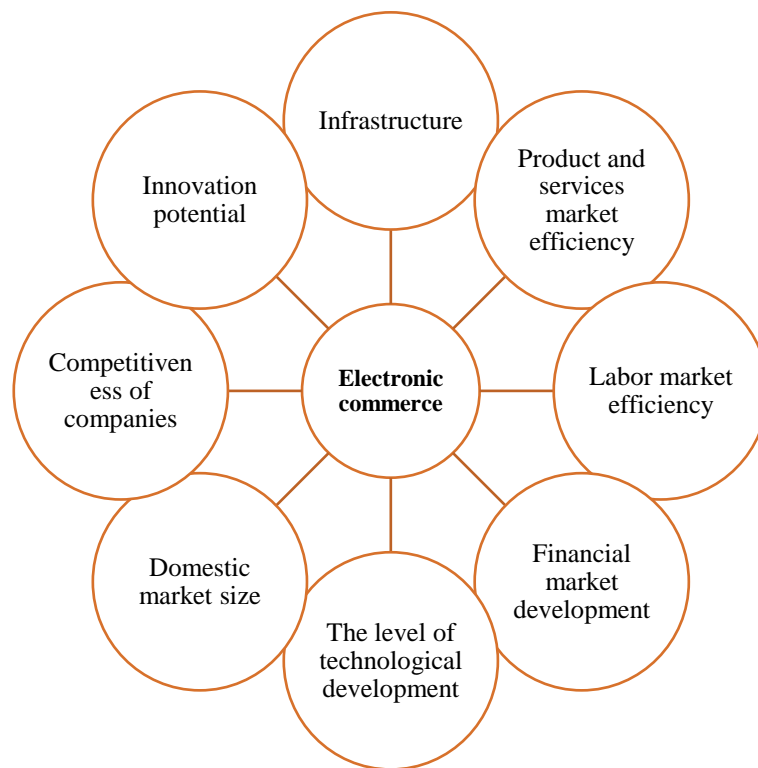


Figure 1. Impact of changes in e-commerce and its infrastructure on the competitiveness criteria of the World Economic Forum.

Under national competitiveness, the Institute for Global Research and Management Development understands the ability of a national economy to create and sustain an environment in which competitive business can exist. Since 1989, the Institute has been conducting an annual competitive analysis in cooperation with research organizations around the world. Until 1996, the Institute prepared reports on the competitiveness of economies in cooperation with the analytical group of the World Economic Forum (WEF), and since 1996, these two organizations have developed two separate studies.

⁶World Economic Forum report 2020

Each country in the rating is evaluated based on the analysis of 333 criteria according to four main indicators of the main directions of the country's economic life:

1. State of the economy.
2. Efficiency of public administration.
3. State of business environment.
4. State of infrastructure.

We can see the results of these studies in Table 2.

Table 2. Country Competitiveness Rating 2021 – IMD⁷

2021	Country	2020
1	Switzerland	3
2	Sweden	6
3	Denmark	2
5	Singapore	1
10	American joint states	10
16	China	20
35	Kazakhstan	42
45	Russia	50
64	Venezuela	63

The conditions of deepening international competition require countries' economies and business communities to constantly work on new and effective ways of "keeping life" in the market. Among these methods, management of business processes based on modern digital technologies is among the most widely used and highly effective methods. Active use of electronic commerce in the processes of rapid development of digital technologies, increasing role of the Internet and complex automation of economic sectors is very important not only for the development of business entities, but also for maintaining their position in the competitive market. As a result of the continuous improvement of business processes by electronic trading mechanisms, the volume of virtual trade relations is increasing dramatically. Companies all over the world are putting the use of digital technologies at the forefront of their business strategies. Digital technologies enable even small businesses to connect with foreign partners, find additional markets and, most importantly, get closer to consumers. Through electronic communication, companies can achieve automated and rapid information exchange with their customers, increasing the efficiency of supply and demand management. Especially in the fiercely competitive field, through e-commerce, the company strengthens its position in front of its competitors by reducing costs related to storage, placement and organization of sales. This ultimately leads to an increase in the company's income.

E-commerce is the main link of e-commerce, and most of the literature mentions these concepts almost as synonyms. In particular, research scientists I.G.Balanov⁸ and D.Koze⁹, who actively participated in the creation of the theoretical foundations of electronic commerce, note in their scientific work that

⁷IMD World Competitiveness Ranking 2021

⁸Balabanov I.T. "Electronic commerce". - St. Petersburg: Peter, 2002.

⁹ Kozier D. "Electronic Commerce": translated from English. - M.: ITD "Russian edition", 1999.

there are no fundamental differences between the concepts of "electronic commerce" and "electronic commerce".

Table 3. The main advantages of e-commerce¹⁰

t/r	Advantages of e-commerce	Expected effect
1.	It reduces the time of delivery of information about the goods to the consumer.	Reduces time costs.
2.	It is possible to trade throughout the day without taking into account the time.	Reduces time and financial costs.
3.	It reduces the participation of intermediaries, and restores direct contact between producers and consumers.	Reduces financial costs.
4.	Real-time interregional and international trades (even the smallest enterprises can enter the markets regardless of their location).	Reduces time costs, increases the number of customers.
5.	Increases competitiveness.	Increases sales volumes.
6.	An unlimited increase in the number of potential customers, new markets will be opened at the expense of foreign consumers.	Expands the market.
7.	Expands product information types. The Internet makes it possible to send not only text, graphics, but also video, audio and technological process information.	Increases the quality and authenticity of product advertisements.
8.	Maximum information on customer needs is collected, goods in high demand are sold.	The volume of sales of goods will increase, the number of customers will increase.
9.	Costs for personnel and rent will be reduced.	Reduces financial costs.
10.	Various forms of payment will expand (the client can make payments in traditional form and through the Internet).	Payments and interactions with suppliers will be simplified.
11.	Accelerates money circulation by using electronic payment schemes.	The national economy increases the rate of development.
12.	Reduces the amount of speculative capital (reduces the capital of non-producing intermediaries)	Increases investment volumes in production areas.

The advantages of e-commerce listed in Table 3 are generally interrelated. Optimizing sales service through electronic trading systems, directing saved funds to modernization of production, as well as reducing total costs by 15-25% as a result of saving time, personnel and financial costs is a vivid example of increasing the competitiveness of an economic entity.

Discussion. So, it can be clearly said that if sufficient infrastructure and legal bases are created for the implementation of electronic trade in today's digital transformation processes, the competitiveness of the country's economy will increase.

¹⁰ Kazmina I.V., Shchegoleva T.V. "The state and main trends in the development of domestic electronic commerce based on information technology", M.: Ekonominfo. 2017. No. 1-2.

It should be noted that the trend of continuous development of electronic trade in developed and developing countries should not lead to the conclusion that electronic trade will completely replace traditional trade. It is inevitable that e-commerce will eventually lead to a competitive environment with traditional trading mechanisms, and ultimately improve overall economic relations.

Conclusion. At the same time, concluding from the analysis of the stated opinions, it can be noted that for the development of e-commerce, a high-quality Internet network between the regions of the world and a large number of its users alone cannot be a complete solution to the problem, but together with these factors, trade culture and other socio-social factors we think that it has an influential role. Because social factors such as mentality and traditions, socio-demographic status of the population, created potential of social infrastructure in the countries of the world require taking into account the specific characteristics of each country when determining the perspective of electronic trade.

1. Taking into account the trends of modern development in the world, the active introduction of digital technologies into the economy, in particular, the sustainable development and strengthening of the competitiveness of the national economy through the expansion of electronic trade relations, should be considered as one of the priorities of the economic policy of our country.
2. In improving the regulatory and legal framework regulating electronic trade in our country, it is necessary to pay attention to the adoption of legal documents not on the principle of control, but on the principle of support. Among other things, it is appropriate to define the specific order of the types and formation of electronic trade and to include norms on the development of modern types of trade in the development of the draft Law of the Republic of Uzbekistan "On Trade". At the same time, it is proposed to revise the Law "On State Procurement" and create a healthy competitive environment and transparent mechanism in the procurement process based on the development of electronic state procurement, as well as to enrich it with norms that provide opportunities for wide involvement of business entities in procurement.
3. Establishing a unified system of coordination of e-commerce activities in our country and creating a statistical-analytical base of the industry based on accurate data.
4. Popularization of e-commerce by spreading information about the importance and advantages of e-commerce among the population and business entities.

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