



THE ENTRY OF UZBEKISTAN INTO THE GLOBAL COMMUNITY INTEGRATION

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A B S T R A C T	KEY WORDS
This article discusses the economic development of Uzbekistan and its integration into the global community. Alongside, it provides information about the concept of integration.	The essence, forms, and objective foundations of international economic integration.

Introduction

International economic integration involves the steady deepening and broadening of economic relations among different countries, leading to the growth and interdependence of their economies, as well as the expansion and contraction of their respective industries. At the micro level, this process often occurs through the mutual influence of individual firms located in geographically proximate countries, shaping various forms of economic interactions between them, including the establishment of subsidiaries in foreign countries. At the intergovernmental level, integration occurs through the formation of economic unions among states and the convergence of economic policies based on mutual agreement.

Researching the processes of international economic integration and addressing the challenges that may arise within it, as well as striving to identify the most effective forms of this process, has led to the emergence and development of various theoretical approaches. Among these theories, it is possible to distinguish neoliberalism, corporatism, structuralism, and neo-Keynesianism, each offering different perspectives and solutions to the complexities of international economic integration.

Corporatism, represented by scholars such as S. Rolf and J. Rostow, emerged in the 1960s as a theory emphasizing the role of transnational corporations in the international economic integration process. It advanced the idea that, in contrast to market mechanisms and state regulation, the activities of transnational corporations could contribute to the rational and balanced development of international economic integration.

Structuralism, primarily represented by G. Myrdal, challenges the idea of complete liberalization of the movement of goods, capital, and labor, arguing against the unfettered operation of market

mechanisms in production, citing disparities and deepening inequalities in income distribution. Advocates of this approach view economic integration as a profound process of structural transformation within the economies of integrating countries, leading to the emergence of new integrated economic entities with relatively advanced industrial structures and improved quality from a qualitative standpoint.

Neoliberalism, advocated by V. Repke and M. Allen in the 1950s and 1960s, envisages the establishment of a single market within multiple countries, where free competition and the spontaneous forces of the market operate without significant interference from government policies. According to these scholars, state intervention in international economic relations leads to negative consequences such as inflation, distortions in international trade, and disruptions in payment systems. However, the emergence of regional intergovernmental alliances with varying degrees of state intervention has demonstrated the inadequacy of early neoliberal thinking in shaping international economic integration. Therefore, subsequent neoliberal theorists, such as B. Balassa, focused on studying the active participation of states in the economic life of integration.

Neo-Keynesianism, primarily represented by R. Cooper, focuses on increasing overall welfare through various forms of international economic cooperation while maximizing the autonomy of nations within integration processes. Neo-Keynesians have proposed two possible variants for advancing international integration: the first involves integration based on relinquishing national sovereignty in favor of aligning economic goals and policies, while the second emphasizes integration while retaining national independence to the extent possible. Recognizing the impracticality of either variant in its pure form, they advocate for their reconciliation through the alignment of internal and external policies of integrating parties. Another manifestation of the neo-Keynesian approach is dirigisme, represented primarily by J. Tinbergen, whose proponents reject the market's dominant role in integration processes. They believe that the formation and operation of international economic structures by integrating countries should be carried out based on a general economic policy, coordination through social legislation, and alignment of credit policies. The general description of these various theoretical approaches indicates that each aims to explore specific aspects of international economic relations, address existing challenges, and develop new goals. Leveraging the correct and scientific aspects of these theories is essential for further enhancing international economic relations, which is a significant task in the field of economic theory.

The main forms of international economic integration are as follows:

- Free trade areas. This is the simplest form of economic integration, within which trade barriers between participating countries are eliminated. The establishment of free trade areas increases competition among domestic and foreign producers in the domestic market, which, on one hand, can increase the risk of bankruptcy for domestic producers, but on the other hand, creates incentives to enhance production efficiency and introduce innovations. The European Free Trade Association and the Commonwealth of Independent States serve as examples of free trade areas.
- Customs union. This form of economic integration, along with the activity of free trade areas, involves the establishment of a single external tariff and the implementation of a unified external

trade policy towards third countries. The European Union (EU) is a notable example of a customs union.

- Monetary union. This ensures the free exchange of national currencies and the operation of a single currency in accounting. The aim of monetary union is to facilitate mutual settlements and to ensure the functioning of a single currency. The European Monetary Union, as well as the payment union for the South-East Asia and CIS countries, are examples of monetary unions.

- Common market. This represents a more complex form of economic integration, encompassing free trade among participants, a common external tariff, as well as the free movement of capital, labor, and coordinated economic policies. The European Economic Community or the European Single Market could serve as examples. Within this framework, all customs duties and import quotas are abolished, goods entering the European market from other countries are subject to the same regulations, ensuring the free movement of currency and labor, and a unified policy is implemented to address common issues.

Economic and monetary union. This is considered the highest form of international economic integration. Here, all forms of economic integration converge under a common economic and monetary policy. This ensures alignment of all aspects of economic integration with a unified economic and monetary policy.

A number of objective factors characterize the process of international economic integration, among which the following occupy a primary place:

- Globalization and the expansion of economic relations;
- Deepening of international division of labor;
- Worldwide scientific and technological revolution;
- Increasing openness of national economies. One of the main factors that stimulate integration processes is the increase in the level of openness of the national economy. The characteristics unique to an open economy include:

- Deep integration into the global economic relations system;
- Reduction or complete elimination of barriers to the movement of goods, capital, and labor between countries;
- Ensuring the convertibility of national currency.

Thus, integration is defined by the mutual penetration of national economic growth processes, resulting in the formation of a single economic organism. In real life, there are two tendencies: integration and disintegration. Additionally, due to various reasons, different elements of integration in different countries may develop unevenly. Therefore, it is possible to distinguish the following types of integration:

- Strict (unilateral) integration. In this type of integration, external conditions determine the process, with some countries being net recipients, while others are donors.
- Cooperative (bilateral) integration. In this type of integration, each country can be both a recipient and a donor at the same time.

The development of international economic integration is influenced by a number of conditions and factors.

Integration of Uzbekistan into the world economy and its foreign economic activity.

Today, Uzbekistan's integration into the global economy is being implemented as a multi-level system, which can be divided into the following five levels: global; transcontinental; regional; subregional; and local¹. Each level of integration has its unique tasks. At the global level, Uzbekistan's strategic integration task is to directly link all economic entities in the country with the external market by creating conditions that are equally conducive to international currency and trade mechanisms based on mutual rights and national interests. Uzbekistan's active participation in the activities of organizations such as the UN, the Organization for Security and Co-operation in Europe (OSCE), the European Union, the World Bank, the International Monetary Fund, and the Economic Cooperation Organization (ECO) contributes to further integration into the global economy. The transcontinental integration task of Uzbekistan is to further strengthen mutual relations within the framework of the international transcontinental Economic Cooperation Organization (ECO). This organization was established in 1992 and includes ten countries in the Asian continent (Turkey, Iran, Pakistan, Afghanistan, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Azerbaijan). Its main goal is to promote regional and international economic cooperation in areas such as transportation, communication, industry, agriculture, trade, tourism, and human resources development.

Uzbekistan's regional integration with newly independent states (NIS) at the subregional level is manifested through the participation in the Commonwealth of Independent States (CIS). Uzbekistan supported the idea of creating the CIS, joined its founding members, and actively participated in strengthening integration and cooperation relations, as well as in the establishment of institutional structures such as the Interstate Economic Committee (IEC), the Interstate Bank (IB), and the CIS Statistical Committee. It is necessary to emphasize that in the future, the CIS should focus more on its original goal, which is to establish mutually beneficial cooperation relations based on existing economic ties and opportunities and to ensure economic development in this direction. This organization has become more active in political matters, and under the slogan "strengthening integration relations," it has begun to intervene in the internal affairs of weaker states, jeopardizing their interests, and the prevalence of economic and political pressure situations has begun.

Uzbekistan's regional integration at the subregional level is aimed at strengthening and developing cooperation between the Central Asian countries, which share a common history, unique cultural traditions, and a similar lifestyle and mentality. The Central Asian Regional Cooperation (CARC), established in January 1992, is a clear manifestation of such integration.

Another promising and powerful regional alliance is the Shanghai Cooperation Organization (SCO). The formation of the SCO began with the discussion of issues related to determining the borders between the five neighboring post-Soviet republics and China. Initially called the "Shanghai Five," this organization was established in Shanghai in 1996, in Alma-Ata in 1998, and in Bishkek in 1999, where the heads of state of the five countries agreed to strengthen border security and reduce the presence of armed forces in border areas. In July 2000, Uzbekistan's first President I.A. Karimov participated as an observer at the Dushanbe summit. On June 15, 2001, Uzbekistan became the sixth member of the organization at the Shanghai summit.

In 2004, the Shanghai Convention on combating extremism was signed, and the organization began its full-fledged operation. In 2005, Uzbekistan participated as an observer at the Astana summit and in the meetings in Bishkek on August 15-16, 2007, with Iran, Pakistan, and India, among others.

In 2016, during the SCO summit held in Tashkent, India and Pakistan joined the SCO as members. Eighteen observer states' representatives participated in this summit alongside member states. The organization signed mutual consultations and cooperation agreements. Today, the SCO's goals are quite straightforward: to prevent military-political conflicts among member states and to create integrated infrastructure along borders (roads, logistics centers, information and legal frameworks, and others).

On June 13-14, 2019, during the meeting of the Heads of Government Council of the Shanghai Cooperation Organization in Bishkek, Kyrgyz Republic, the issue of strengthening cooperation with the Shanghai Cooperation Organization and discussing matters of establishing free trade relations among Central Asian states was discussed. Subsequently, on February 26, 2020, the President of the Republic of Uzbekistan signed Decree No. PQ-4619 "On the Approval of the International Treaty," which states that the main task between the governments of the member states of the Shanghai Cooperation Organization, signed during the summit of the Heads of State of the member countries of the Shanghai Cooperation Organization held in Bishkek on June 14, 2019, was to cooperate in the field of public information. With the accession of India and Pakistan, the two largest countries in Asia, to the SCO, the organization has become the largest regional association with global significance. Today, the SCO's activities cover a wide range of issues, including politics, security, counterterrorism, trade and economy, and cultural-humanitarian cooperation, extending to environmental issues.

The conditions for Uzbekistan's integration into the world economy and the implementation of its foreign economic activity began with the country gaining independence. In such a situation, it is necessary to establish a system for managing external economic relations, develop rules and regulations for establishing foreign relations, and define strategies for integrating into the global economic system. It was essential to develop a strategy for Uzbekistan's foreign policy and economic activity, which would define the legal framework for foreign relations and the contractual-legal basis for international cooperation, as well as the main principles for developing cooperation with foreign partners. The foundation of Uzbekistan's participation in the international division of labor and its involvement in global economic relations lies in establishing an open economy. Therefore, shortly after gaining independence, Uzbekistan established diplomatic relations with more than 80 countries, opened diplomatic missions in many countries, and joined numerous international organizations such as the UN economic institutions, the World Bank, the International Monetary Fund, the International Finance Corporation, and other international financial and economic organizations aimed at supporting economic development.

Dwelling on the necessity of the processes of integration of Uzbekistan into the world economy, President Sh. Mirziyoyev emphasized that "we must harmonize with the world production system, the requirements of the world market and the processes of economic integration."¹ Accordingly, development of a program aimed at diversification of foreign trade routes and their integration with international infrastructures is set as a strategic task. In particular, it is planned to develop a decision in this regard, in which it is proposed to take into account the following:² increasing the level of

¹ "The Appeal of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Senate and the Legislative Chamber of the Oliy Majlis" (January 24, 2020) Xalq So'zi Newspaper, January 25, 2020.

² "Decree of the President of the Republic of Uzbekistan on the Strategy for Actions on Further Development of the Republic of Uzbekistan" dated February 7, 2017, No. PF-4947, Paragraph 8, Line 145.

competition between national transport logistics companies, encouraging the reduction of tariffs for export enterprises, expanding car fleets, loans for obtaining trucks simplify the acquisition; International economic integration has historically been a key driver of global economic development, and although it has resulted in long-term benefits, many challenges remain unaddressed in the current process of integrating into the world economy. For our country, this entails further liberalization of foreign economic and currency policies. In the early stages, our country pursued foreign trade along two lines: government-to-government agreements with CIS countries and accounting in freely convertible foreign currencies in external transactions with foreign countries. While the pace of global trade growth has noticeably slowed down, and external demand for the most important export goods has decreased, and prices have declined, we have achieved a positive balance in foreign trade turnover. This has allowed us to increase our gold and currency reserves. It is important to emphasize that the geographical scope of our foreign trade relations, primarily with the developing markets of the Asian continent, is changing qualitatively in terms of trade turnover. These indicators primarily reflect the significant growth in the export of competitive finished products, indicating the growing potential and capabilities of our economy. Additionally, such a situation contributes significantly to the importance of stabilizing our exports in the face of the changing dynamics of the global market, particularly with regard to basic raw material prices. Developing comprehensive cooperation among the Central Asian states is of primary importance in enhancing foreign economic activity. Uzbekistan, Kazakhstan, and Kyrgyzstan have initiated the negotiation process for a treaty establishing a single economic space. A program aimed at integrating their industries has been developed.

Developing foreign economic relations in the Republic requires creating favorable conditions for attracting foreign investments to the economy and establishing necessary institutions and organizations. These include the national insurance company "O'zbekinvest," various joint insurance companies, a service to support investments established jointly with the United Nations at the Cabinet of Ministers, the State Property Committee's Foreign Property and Foreign Investment Agency, and similar entities. These institutions and organizations, as well as the legal frameworks established in the Republic, create favorable conditions for foreign investment activities, protect their rights, and guarantee the security of invested capital. Uzbekistan's integration into the global community will also be evident in projects implemented by the United Nations in the fields of economy, education, healthcare, culture, and science.

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