



## PROBLEMS OF TRANSNATIONALIZATION AND INTEGRATION INTO GLOBAL BUSINESS

Rustamova Dilsabo Juraevna

Ph.D. Andijan Institute of Agriculture and Agrotechnologies, Associate Professor of the  
Department of Agribusiness and Marketing

### Annotation

The article deals with the process of transnationalization and the problems of globalization. It is also argued that the processes of production and transnationalization of capital are the basis and driving force of the modern globalization of the world economy.

**Keywords:** transnationalization, globalization, foreign economic activity.

### Introduction

One of the most important prerequisites for the transnationalization process is globalization, within which a significant share of national production, consumption, exports, imports and income of a country depends on the decisions of international centers located outside the country. As such centers of power and influence today are transnational corporations, which are the end result, and, at the same time, the main players contributing to the development of internationalization.

Globalization is a very special, modern and, in all likelihood, the highest stage of integration. Globalization is the process of formation and subsequent development of a single global financial and economic space based on new, mainly computer technologies.

The development of international economic relations is under the influence of the accelerating globalization of the world economy. The driving force behind this process is the most powerful states and transnational corporations that connect national and regional markets, ensuring the development and strengthening of world economic ties, primarily in their own interests.

According to the definition of A.G. Movsesyan and S. B. Ognivtseva: "transnationalization is the process of transferring part of the reproduction processes from one country to another (others) through foreign direct investment, which, unlike portfolio investments, include investments made abroad in order to organize branches or establish control over foreign companies that become addicted. These investments are carried out mainly by transnational companies (corporations), which are the basis of transnationalization. "

It must be said that Uzbekistan today is going through an important stage in its historical development. The political system is seriously changing, foreign policy priorities are clearly defined, and essentially new foreign economic ties are being built, based on pragmatism and the most flexible use of modern realities and national interests of the republic. The country has developed a certain strategy for ensuring economic security, taking into account its own national priorities, actively diversifying its foreign economic relations. Since 2016, the republic has abandoned foreign policy isolationism and geopolitical dichotomy.



Continuing large-scale work to activate foreign policy, open, pragmatic, deeply thought-out activities that meet the national interests of the country, Uzbekistan seeks to join the World Trade Organization (WTO).

Naturally, the effectiveness of any business is closely related to the conditions created in that state and to the degree of its preparation. Therefore, for this, Uzbekistan must the following (Figure 1).

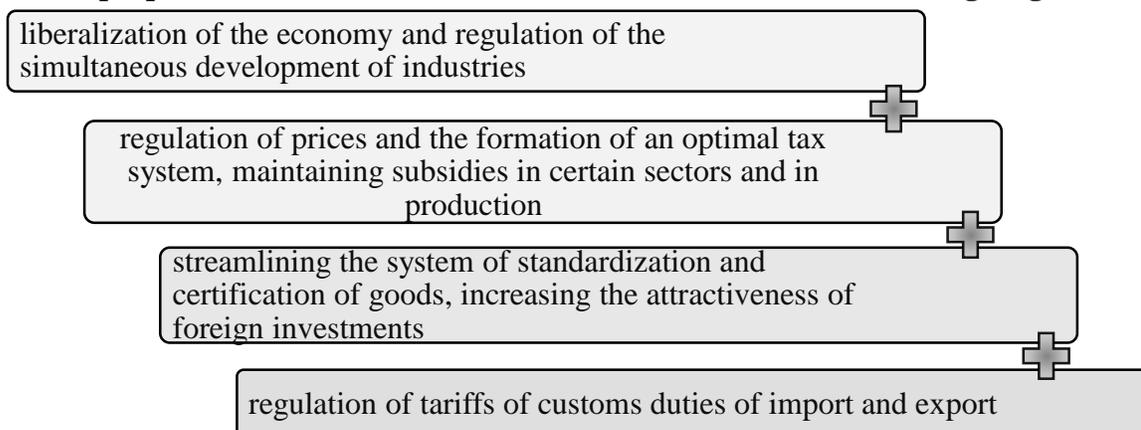


Figure 1. Required measures from Uzbekistan to join the WTO

Despite the fact that Uzbekistan applied for membership back in 1995, positive shifts began to be observed only in 2017.

In 2017, the Decree of the President UP-4947 was adopted, in accordance with which an Action Strategy was developed for five priority areas of development of the Republic of Uzbekistan in 2017-2021. Where the third priority direction of the Strategy is defined and carried out cardinal reforms to liberalize currency regulation, foreign trade regime, customs and tax legislation, which creates the most favorable conditions for the resumption of the process of Uzbekistan's accession to the WTO. As part of the study of Uzbekistan's accession to the WTO and attracting technical assistance, the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan, with the support of the UN Development Program, systematically organizes working meetings with representatives of such international organizations as the Asian Development Bank (ADB), the World Bank, the US Agency for International Development (USAID), Delegation of the European Union in Uzbekistan, German Society for International Cooperation (GIZ) and others.

Accession to the WTO makes it possible for Uzbekistan to increase the prospects for increasing scientific and technological progress in industries through purchase and purchase of efficient and reliable imported equipment. In addition, when joining the WTO, domestic exporters will have easier access to foreign markets. The procedure for accession to the WTO consists of several stages, and, as the experience of the recently acceded countries shows, this is a long process, it can take several years.

The WTO is a global platform that benefits countries. Opportunities for Uzbekistan in connection with joining the WTO are the development of tourism, which in recent years has undergone serious reforms, expanded opportunities for integration, reduced non-tariff restrictions, increased the share of foreign direct investment in the economy, reduced state monopoly in the economy.



The scope of the issues is quite wide, the issue of the fact that privatization in the mining, oil and gas industry, energy, railways and airways has not been completed has not been completed. For example, due to the factor of geography, the automotive industry of Uzbekistan initially has weak competitive advantages. And one of the first victims of the WTO could be the automotive industry. Since in the automotive cluster there are over 50 enterprises that, within the framework of localization programs, produce various components, and there are almost 50 thousand people employed there.

Also, at present, the issue of interaction of the Republic of Uzbekistan with the Eurasian Economic Union (EAEU) is being widely discussed, which became possible due to the cardinal changes since 2017 in the foreign economic strategy of Uzbekistan.

To note that in 2016-2019, the total trade between Uzbekistan and the EAEU countries, thanks to the bilateral agreements reached, increased by almost 60% - to \$ 10 billion, which was about 30% foreign trade turnover of the country. This circumstance largely explains the attention that is focused on the prospects for expanding the interaction of the Republic of Uzbekistan with the Eurasian Economic Union.

The entry of the republic with its 34 million population, an important geostrategic position on the map of Eurasia and ambitious modernization plans would make the EAEU an even more significant player with a unified market exceeding 200 million people. At the same time, such integration will require serious efforts and transformations for both sides of the association, which will become a serious test for both the EAEU and Uzbekistan.

The lag between the establishment of integration institutions and the formation of an integrated economy can be quite large if digital cooperation does not develop. This refers to the creation of common digital platforms for trade, technology transfer, industrial cooperation, transport corridors, tracking the movement of goods from the manufacturer to the end consumer, as well as common Internet resources in the field of education, culture and tourism. Digitalization has significant potential for enhancing the economic and social cohesion of the Eurasian space only under the condition of a unified strategy and joint projects. Otherwise, autonomous digital politics will create additional barriers for emerging common markets.

Therefore, the formation of Eurasian integration should be closely linked with programs for the modernization of national economies, the creation of the necessary institutions that promote new products and technologies to the common market of the participating countries and beyond.

In our opinion, there is a possibility that negotiations between Uzbekistan and representatives of international organizations will drag on.

Uzbekistan must first of all solve its internal socio-economic problems; it also needs to seriously think about geoeconomics. The fact that at the same time there is cooperation as an observer with two organizations - both the WTO and the EAEU - poses the task of the country's leadership to find an optimal solution to the most complex issues.

Thus, the processes of transnationalization of production and capital are the basis and driving force of the modern globalization of the world economy. At the same time, globalization leads to the emergence of economic interdependence of states, as a result of which there is a gradual destruction of national



economic state dominion and the emergence of new supranational economic formations - global corporations - transnational management structures.

In other words, the process of transnationalization is viewed as a process of expanding the international activities of industrial enterprises, banks, service companies, their going beyond the national borders of individual countries, which leads to the development of national companies into transnational ones. It is characterized by the intertwining of capitals through the takeover of firms from other countries, the creation of joint companies, the attraction of funds from foreign banks, the establishment of strong long-term ties abroad of industrial companies and banks of the same country.

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