



WAYS TO ENSURE THE PROTECTION OF NATIONAL INTERESTS AND ECONOMIC SECURITY OF UZBEKISTAN IN INTERNATIONAL ECONOMIC ORGANIZATIONS

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ABSTRACT: There are analyzed in the article activities of Uzbekistan in international economic organizations, the positive and negative consequences of joining the World Trade Organization and the Eurasian Economic Union, as well as highlighting the issues of ensuring the protection of national interests and economic security of the country.

KEYWORDS: national interests, security, economic security, the world economic system, international economic organizations, the World Trade Organization, the Eurasian Economic Union, foreign trade, labor migration, tourism, investment, customs.

INTRODUCTION

The formation of an open economy in our country and its development prospects depend on its entry into the world economy on a priority level. At present, Uzbekistan is recognized as an independent state by more than 150 countries. Uzbekistan also started to actively participate in international economic organizations. In particular, Uzbekistan cooperates with economic institutions of UN, World Bank Group, International Monetary Fund, International Labour Organization, World Health Organization, Asian Development Bank and Islamic Development Bank, as well as many other international economic organizations, such as Shanghai Cooperation Organization. In addition, Uzbekistan, together with Central Asian countries, has become a member of the Organization for Economic Co-operation and Development (OECD) actively participates in the development and implementation of projects to build international highways that provide access to world seaports, the intercountry transport networks and world markets for goods and capital within the framework of that Organization.

Cooperation of Uzbekistan with international economic organizations is carried out in terms of combining long-term and short-term important tasks. Defining the tasks in this regard, President of the Republic of Uzbekistan

Sh.M. Mirziyoyev noted that "Third, we need to continue our foreign policy activities based on openness, equal and mutually beneficial cooperation, and take measures to further enhance its effectiveness¹".

In order to achieve these objectives, issues related to Uzbekistan's participation in the activities of the World Trade Organization and the Eurasian Economic Union are being considered. Discussions are ongoing in the press on this subject. Issues related to the protection of national interests and ensuring economic security will be of great significance in our country's cooperation with various international economic organizations. Therefore, there is a need to explore these issues.

The aim of the research is to develop scientific proposals based on the analysis of areas of protecting national interests and ensuring economic security in the activities of Uzbekistan in international economic organizations, including in the processes of its accession to the World Trade Organization and the Eurasian Economic Union.

Research methods.

The article uses methods of scientific abstraction, logic, analysis, and synthesis, comparative and economic-statistical analysis.

The main results are as follows:

- the advantages of Uzbekistan's participation in the World Trade Organization activities were identified;
- activities of the Eurasian Economic Union (EEU) were defined;
- the issues of Uzbekistan's accession to the Eurasian Economic Union were analyzed;
- the positive and negative consequences associated with our risks for Uzbekistan were analyzed and identified;
- scientific proposals were elaborated on the issues of ensuring national interests and economic security in Uzbekistan's cooperation with international economic organizations, including in the process of accession to the WTO and EEU.

After gaining independence, Uzbekistan established an open market economy by actively participating in the international labor division. Prospects of formation and development of an open economy in our country depend on penetration into the global economy at a higher level. The foreign economic policy of the country is aimed at strengthening its position in the world market, strengthening its payment balance and creating favorable conditions for foreign investments.

As a result of measures aimed at ensuring the openness of the economy and liberalization of foreign economic activity, the inflow of foreign investments increased, the number of joint ventures expanded and the domestic market started to be filled with goods. In this regard, President of the Republic of Uzbekistan Sh.M. Mirziyoyev noted that: "As a reliable partner, the international reputation of our country is growing thanks to an open and practical, active foreign policy in international relations. At the same time, one of our main tasks is the further development of friendly and trustful relations with all our neighbors. In 2018, 18 official visits were performed and agreements were reached on 1080 projects worth 52 billion dollars. The amount of investment in cooperation with the World Bank, European Bank for Reconstruction and Development (EBRD), Islamic Development Bank and Asian Development Bank, and other international financial constituted 8.5 billion dollars. Today, 456 projects worth 23 billion dollars are being implemented in our country with the support of foreign investments."

At the same time, in the conditions of integration into the world economic system, there are some events and obstacles that are contrary to the interests of the country, namely:

- Restrictions on the access of the republic to advanced technologies;
- Attempts to import morally and materially obsolete machinery and technologies into the country;

¹O'zbekiston Respublikasi Prezidenti Shavkat Mirziyoyevning Oliy Majlisga murojaatnomasi. 2018 yil 28 dekabr [Appeal of Shavkat Mirziyoyev – the President of the Republic of Uzbekistan to Oliy Majlis] (in Uzbek). December 28, 2018.//Khalq so'zi, December 29, 2018.

- Preventing the export of domestic competitive products to foreign markets and attempts to squeeze them out of previously developed markets;
- The intention of obtaining a part of the national wealth through foreign capital;
- Loosely formed mechanism for control over the export of essential raw materials and capital².

The country's active participation in international economic organizations plays an important role in integrating our country into the global economic system, expanding its ability to overcome the above-mentioned barriers to entry in the foreign trade of goods and services, and access to capital and labor markets. In this regard, accession to the World Trade Organization (WTO) and the Eurasian Economic Union (EEU) may be important.

Uzbekistan has been participating in the activities of the World Trade Organization since 1994 in observer status. At present, Uzbekistan is now preparing to join the WTO as a member. Uzbekistan's membership in the World Trade Organization will provide a solid legal framework and privileges for trade with low customs duties, without barriers to trade with more than 130 member countries that are parties to this multilateral treaty. At the same time, it is advisable to evaluate the positive and negative consequences of the country's accession to the WTO. Because the positive opportunities and risks associated with joining the organization as a member will need to be properly assessed. For this purpose, it is necessary to deeply study WTO commitments, analyze the experience of other countries, develop approaches to assess the consequences of joining as a member, as well as to analyze the efficiency of economic sectors and quantitative assessment of the consequences. Based on these activities, proposals will be prepared to meet WTO requirements.

As a result of joining the Eurasian Economic Union, we will be able to enter the economic space that consists of member countries such as Russian Federation, Belarus, Kazakhstan, Kyrgyzstan and the Republic of Armenia, and is the ranked first in the world by area and the tenth in terms of GDP. Today, many countries around the world are seeking economic cooperation with this organization. This is because EEU has the status of an economic organization and does not affect the independence, sovereignty of its member states, there will be no forums and meetings of any political nature as well as no pressure from one state to another, cooperation between them will be established only in the economic sphere³.

As a result of Uzbekistan's accession to the EEU, trade relations with its member countries may be further developed. We will have better access to a wider range of goods, services and capital, and labor markets. Currently, foreign trade turnover with the countries of the Union is 28.4% of its total volume in 2018, including 16.9% for the Russian Federation, 8.9% for Kazakhstan, 1.4% for Kyrgyzstan and 1.2% for Belarus (see Table 1).

Table 1.

Dynamics of Uzbekistan's foreign trade turnover with the countries of the Eurasian Economic Union⁴
(In million US dollars)

Countries	2014	2015	2016	2017	2018	Share %
Russian Federation	5858,5	4455,8	4192,7	4728,7	5729,8	16,9
Export	2545,8	1821,1	1794,9	2019,2	2192,9	
Import	3312,7	2634,7	2397,8	2709,5	3536,9	
Balance	-766,9	-813,6	-602,9	-690,3	-1344,0	

²Abulkasimov H.P., Abulkasimov M.Kh. "Iqtisodiy khavfsizlik: nazariya va amaliyot" (in Uzbek). Training manual. – Tashkent: "Noshirlik yog'dusi", p. 620, 2019.

³See: Sanjar Valiyev. V ISMI ne schitayut, chto Yevraziyskiy ekonomicheskii soyuz politizirovannaya organizatsiya (in Russian) // <https://kun.uz/ru/news/2019/10/11/v-ismi-ne-schitayut-cto-yevraziyskiy-ekonomicheskii-soyuz-politizirovannaya-organizatsiya>; Aktam Hayitov: «EOIIni SSSRga qiyoslash to'g'ri emas» (in Uzbek) // <https://kun.uz/news/2019/10/21/aktam-hayitov-yeoiini-sssr-ga-qiyoslash-togri-emas>

⁴O'zbekiston Respublikasining ijtimoiy-iqtisodiy holati. 2018 yil yanvar-dekabr (in Uzbek) [Socio-economic situation in the Republic of Uzbekistan. January-December 2018]. Statistical miscellany. – Tashkent, compiled based on data of The State Committee of the Republic of Uzbekistan on Statistics, 231, 232, 234-pages, 2019.

Kazakhstan	3496,4	2697,1	1898,9	2055,7	3022,2	8,9
Export	2487,7	1849,4	945,0	1057,6	1457,7	
Import	1008,7	847,7	953,9	998,2	1564,5	
Balance	1479,0	1001,7	-8,9	59,4	-106,9	
Kyrgyzstan	225,9	136,0	167,4	253,7	481,0	1,4
Export	164,1	99,9	121,5	178,3	348,2	
Import	61,8	36,1	46,0	75,4	132,8	
Balance	102,2	63,9	75,5	102,9	215,4	
Belarus	177,8	109,1	112,6	182,4	420,0	1,2
Export	24,7	20,1	18,2	27,4	43,2	
Import	153,0	89,0	94,4	155,0	376,8	
Balance	-128,3	-68,9	-76,1	-127,6	-336,6	

Foreign trade turnover with the Russian Federation decreased by 28.5% in 2014-2016 and increased by 36.7% in 2018 compared to 2016. The same tendency is observed in the foreign trade turnover with Kazakhstan, Kyrgyzstan, and Belarus, and since 2016 trade relations have been revived. However, in the trade relations with Russia, Kazakhstan, and Belarus, a negative (minus) surplus was formed due to higher rates of import growth than export growth rates. This can be further exacerbated by Uzbekistan's entry into the EEU and could lead to serious losses in competition. Therefore, trade relations with these countries should focus on increasing high-tech product exports and achieving a positive surplus through the modernization of natural resources and non-ferrous metals production, including light industry and textile products, and other industries. It is also advisable to increase the volume of imports of modern equipment and technology from the countries of the Union.

As a result of joining the EEU, there will be a significant positive trend in labor migration. Providing a favorable visa regime for Uzbeks will not only allow them to work in the countries of the Union, but also to settle. As a result, our migrant workers will have the opportunity to officially work as full-time employees and live with their families in the Union's member countries⁵.

70 % of tourists arriving in our country are citizens of the countries of this Union. As a result of its accession to the Union, the flow of tourists to our country is expected to increase even more.

Cooperation in the field of science and education continues. In particular, more than 25 thousand youngsters are currently studying in the Russian Federation, 3.7 thousand in Kazakhstan, 1.8 thousand in Kyrgyzstan and more than 200 in Belarus. In addition, branches of several prestigious universities are operating in our country: M.V. Lomonosov Moscow State University, Plekhanov Russian University of Economics, Gubkin Russian State University of Oil and Gas and others. Also in recent years, joint faculties were established in a number of higher education institutions of our republic together with Russian universities. Therefore, accession to the Union is beneficial for Uzbekistan.

President of the Republic of Uzbekistan expressed his views on the aspects of becoming a full member of the Eurasian Economic Community at the 20th session of the Senate of Oliy Majlis of the Republic of Uzbekistan. In particular, it was noted that the optimization of trade processes within the framework of this union will negatively affect the domestic goods in the international market. Therefore, the head of our state stressed the urgent task of improving the quality of exported goods and strengthening their competitiveness not only within the Union, but also in the local market.

Now it is necessary to create the following conditions for the country's integration into the international trade system and the Eurasian Economic Union:

⁵See: Aktam Hayitov: «EOIlni SSSRga qiyoslash to'g'ri emas» (in Uzbek) // <https://kun.uz/news/2019/10/21/aktam-hayitov-yeoiini-ssrga-qiyoslash-togri-emas>

- Further enhancement of economic reforms and further liberalization of the economy, including liberalization of foreign economic activity;
- Formation of development strategy; establishing international marketing;
- Regulation and support of a foreign economic activity, including international trade;
- International trade financing and infrastructure development;
- Training of skilled personnel.

In our view, there are also potential negative consequences, i.e. risks that are expected as a result of WTO and EEU membership, which may include the following:

- Threats to the country's economic security will increase and, as a result of the openness of the national economy, the sustainable development of certain sectors may be jeopardized in many ways;
- The weakness of the country's economy in relation to external shocks will increase, and price fluctuations in the world market may affect the balance of payments of the Republic;
- Competitiveness in some basic industrial sector may be reduced due to the import at relatively low prices (commodity intervention) of products similar to those produced in the Republic;
- In the process of negotiations, the revenue side of the state budget may be reduced at an early stage as a result of reductions in customs tariffs and duties, which should be introduced into practice under pressure from WTO and EEU members;
- Reduction of the government's ability to directly support some strategic sectors of the economy;
- Transnational corporations and foreign firms may intervene in the process of regulating key sectors of the national economy as a result of strengthening the authority in the country;
- The ability to maintain unchanged existing regulatory methods may be reduced, including domestic market prices, monopoly tariffs, technical norms and standards, rules of intellectual property use.

It is advisable to take measures to improve the competitiveness of domestic products in order to ensure security in the process of the country's accession to the world economic system and joining the international economic organizations, including the World Trade Organization and the Eurasian Economic Union. In recent years, the results of the industrial sector development show that many industrial enterprises have adapted to the market conditions and that they have established high-performance production with the support of the state. At the same time, there have also been problems indicating the unstable nature of the factors and sources of growth observed in industry and agriculture. This will not only prevent national products from entering the world market but may also cause serious problems in the country's accession to the WTO and EEU⁶.

In order to address these problems and to enhance the product competitiveness in the world market, measures will be taken to increase economic growth rates, to improve priority sectors and industries through the use of the potential of rich natural resources, to improve priority sectors, to create its export-oriented structure, to develop and strengthen the country's export potential.

To occupy a worthy place in the world economic system, and to ensure economic security and high competitiveness, it is planned to further increase the annual growth rate of GDP and industrial production by accelerating the socio-economic development of the country.

CONCLUSION AND RECOMMENDATIONS

In our view, in order to protect national interests and ensure economic security during Uzbekistan's accession to the WTO and Eurasian Economic Union, it is desirable to achieve the following goals:

- Obtaining the status of a country with best trade terms when trading with the WTO and other EEU members;

⁶See: Kamoliddin Rabbimov, politician: O'zbekistonning EOIIga qo'shilishidagi 5 salbiy nuqta (in Uzbek) <https://kun.uz/news/2019/10/21/siyosatshunos-ozbekistonning-veoiiga-qoshilishidagi-5-salbiy-nuqta>.

- Expansion of access to foreign markets, primarily the market of developed countries as a result of the abolition of tariff and non-tariff barriers (especially with respect to agricultural products, light industry, leather and textile products, chemicals and high-tech industrial products);

- To avoid discrimination in trade relations, to protect the interests of Uzbek exporters abroad, and to create favorable conditions for the country's export;

- Strengthening the trust of foreign investors, creating a favorable business environment to increase the inflow of foreign investments into the economy of the Republic, obtaining a worthy place in the international capital market;

- Effective use of the right to free transit of goods through the territories of the WTO and EEU member states;

- Comprehensive use of sanitary and phytosanitary measures, as compensation mechanisms, with a view to reducing the significance of tariff measures for the protection of the domestic market, at the same time, from non-tariff restrictions in trade through the standardization and certification system;

- To resolve possible misunderstandings and disputes with trading partners through the rules and regulations established by international law, WTO and EEU;

- Receiving advice from WTO and EEU members on trade-related issues, and getting up-to-date information on foreign trade policies and objectives of governments and member countries.

In order to ensure sustainable economic growth and security and to increase the country's competitiveness in the global economic system, the following macroeconomic conditions need to be created:

- gradual reduction of the annual inflation rate to 3-4%;

- achieving a further reduction in the tax burden on the economy;

- ensuring the stability of the national currency;

- further liberalization of the banking system and economic activity;

- reasonable and acceptable reduction of the state's share in the economy on the basis of further privatization and alienation of state-owned property, and increasing the efficiency of privatized enterprises;

- achieving further growth of small business and private entrepreneurship share in GDP and export through their development in the economy;

- introduction of free economic principles, rapid development of market infrastructure;

- harmonization of market and state mechanisms for regulating the economy through reducing government intervention in the economy;

- further improvement of the economic regulation by means of economic instruments and tools, abandoning the management of the economy on an administrative basis through the implementation of institutional reforms;

- achieving a strong position of the national economy in the world economic system, increasing the competitiveness of national products in the world market.

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