



MODERN DYNAMICS OF THE COMPETITION IN ECONOMIES OF THE WORLD

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Abstract. This paper develops and analyzes dynamic changes of competition policies of economies in today's economic conditions. It is devoted to study the essence of competition in modern economy of countries, challenges arisen by digital economy, trade opportunities and competition measures.

Keywords: competition, trade, digital market, free market economy.

JAHON MAMLAKATLARI IQTISODIYOTIDAGI RAQOBATNING ZAMONAVIY DINAMIKASI

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Guliston davlat universiteti

Annotatsiya. Ushbu maqola tez sur'atlar bilan rivojlanayotgan hozirgi iqtisodiy sharoitlar nuqtai nazaridan iqtisodiyotlarning raqobat siyosatidagi dinamik o'zgarishlarini tadqiq etadi va tahlil qiladi. Maqola mamlakatlarning zamonaviy iqtisodiyotida raqobatning mohiyatini, raqamli iqtisodiyot sharoitida yuzaga keladigan muammolarni, savdo imkoniyatlarini va raqobat choralarini o'rganishga bag'ishlangan.

Kalit so'zlar: raqobat, savdo, raqamli bozor, erkin bozor iqtisodiyoti.

СОВРЕМЕННЫЕ ДИНАМИКИ КОНКУРЕНЦИИ В ЭКОНОМИКАХ СТРАН МИРА

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Аннотация. В данной работе изучается и анализируются динамические изменения политики конкуренции в экономиках современных стран. Она посвящена изучению сущности конкуренции в современной экономике, вызовам, возникающим в связи с цифровой экономикой, торговым возможностям и мерам по обеспечению конкуренции.

Ключевые слова: конкуренция, торговля, цифровой рынок, свободная рыночная экономика.

Introduction.

It has been emphasized by all that free and fair competition is one of the most important pillars of a market economy. Over the past two decades, institutions worldwide have recognized the crucial importance of effective competition in ensuring the welfare of consumers and producers. A number of competition development measures were implemented, especially in developing countries, to take advantages of the untapped potential of open and liberalized market forces. Indeed, strong competition in the domestic market encourages local producers to adopt new technologies, reduce costs, and differentiate their products.

Literature review.

The competition concept in an economy has also been studied in one scale of competition law, competition policy and economic development (Conference on competition, UN 2010), relation between competition reforms and welfare (Global forum on competition, OECD 2017), as well as the interaction between trade and competition policy (Hoekman, 1997), in terms of patterns of digital economy (UNCTAD, 2024). In the contemporary era, this Schumpeterian view has been empirically validated and extended. Aghion, Cherif, and Hasanov (2021) provide a comprehensive overview of the complex, often inverted-U relationship between competition and innovation, arguing that while competition drives productivity and inclusive growth, excessive market concentration can stifle future innovation and exacerbate inequality. This tension is particularly acute in digital markets, which are characterized by strong network effects and data-driven production. Calvano and Polo (2021) survey the economics of these markets, highlighting how traditional consumer welfare metrics are insufficient and how competition in the market must be considered to address the social harms of concentrated platform power. This is also crucial for understanding the competitive interplay between multinational corporations (MNCs) from developed economies and emerging market MNCs (EMNCs). Al-Kwafi, Farha, and Zaraket (2020) apply the awareness-motivation-capability (AMC) framework to show how EMNCs can outperform their established rivals by leveraging unique home-market advantages and strategic agility. The platform business model itself has become a dominant force, necessitating new theoretical frameworks. Rietveld and Schilling (2020) provide a systematic review of platform competition, synthesizing research from management, economics, and information systems to explain how platforms govern interactions between distinct user groups and compete through indirect network effects.

Research methodology.

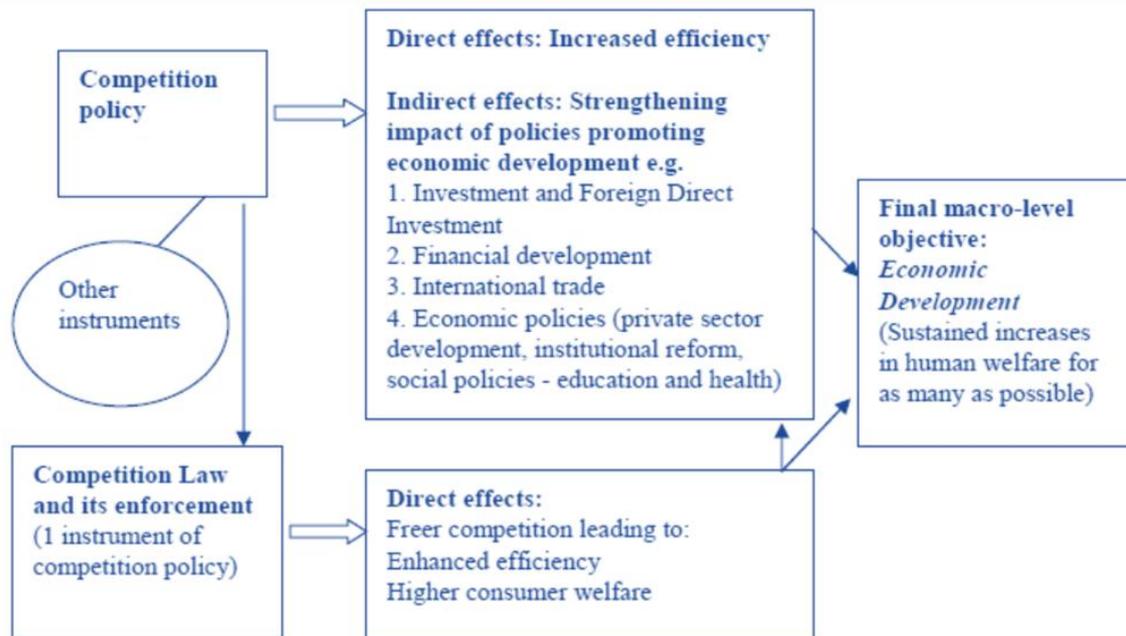
The research has been accomplished based on fundamental and analytical methods and results of other descriptive methods and formulated the synthetic conclusion of the competition concept in modern economies including main characters of enforcement.

Analysis and discussion of results.

Recently developing of economic theories under the pressure of globalization, internationalization and widening digitalization makes economies revise their competition development strategies. Because the difficulties has consequently arisen in enforcing classical free and effective competitive environment that affects business dynamics, investment, and innovation by facilitating firms' entry into and exit from markets, as well as the reallocation of capital and labor resources among firms and business sectors.

Contemporary scholarship reveals competition as a multi-dimensional, institutionally embedded, and innovation-driven process, fundamentally reshaped by digital platforms, global value chains, regulatory ecosystems, and emerging sustainability imperatives. The rise of champion firms increasing market concentration in digital sectors, and the geopolitical fragmentation of trade and technology regimes have rendered traditional antitrust and industrial policy frameworks increasingly inadequate. In this new landscape, dynamic capabilities, strategic interdependence, and non-price dimensions—such as data access, network effects, and ESG performance—have become central to competitive advantage.

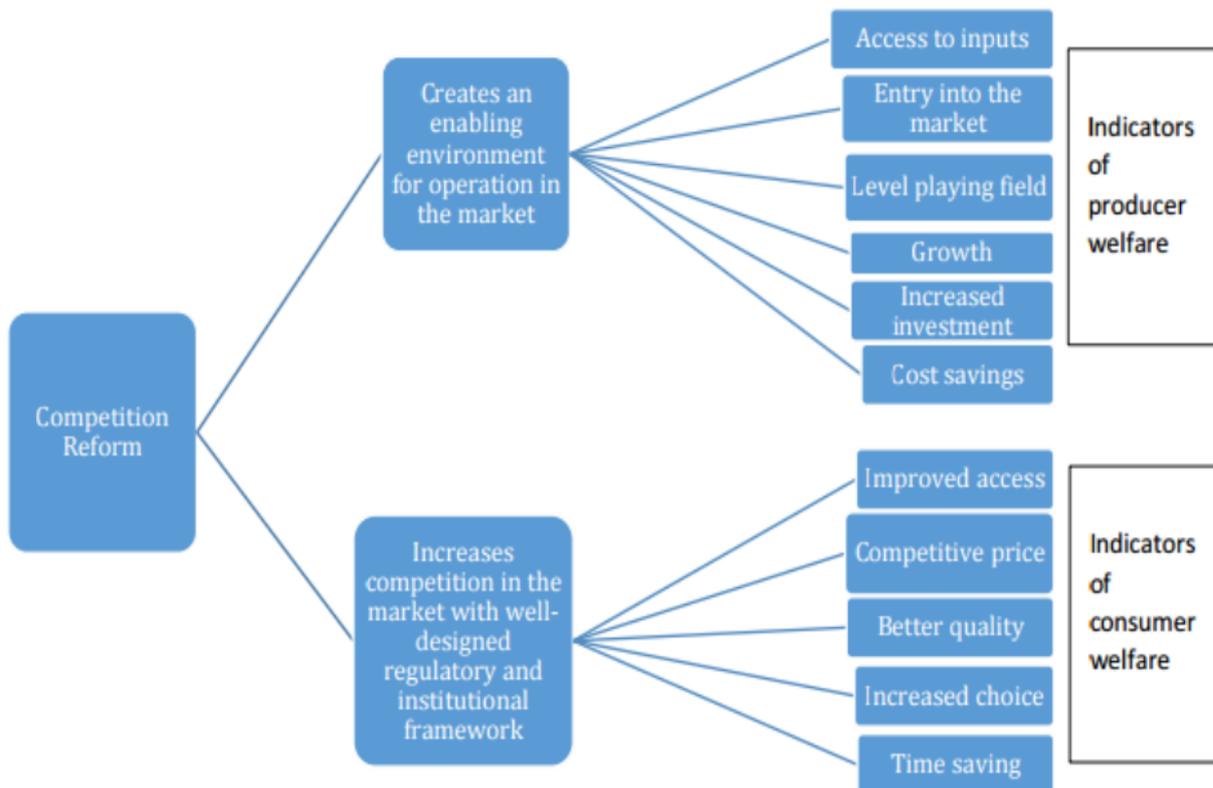
By accepting the importance of free and fair competition in an economy, now it should also be claimed coherently the formulated concept of competition.



Picture 1. Relationships between competition law, competition policy and economic development

Source: Sixth United Nations Conference Geneva (2010)

The above illustrated picture shows competition policy direct efficiency effects and indirect effects to which are investment, financial development, international trade and social, institutional, private sector development policy, where the results would be sustainable economic welfare (UN, 2010).



Picture 2. Relation between competition reforms and welfare

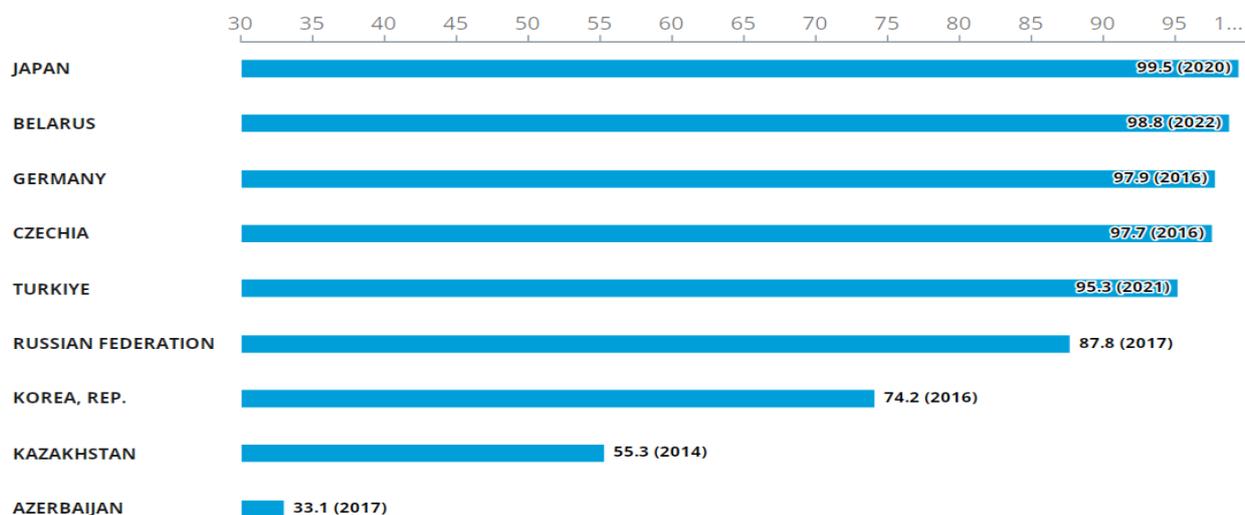
Source: OECD (2017)

Moreover, this picture draws two main advantages of competition reforms which are enabling environment for operation of producers in the market and well-designed regulatory and institutional framework of competition for free choices of consumers (OECD, 2017).

In December 1996, perspective negotiations on multilateral disciplines related to the interaction between trade and competition policy was begun by being established working group lasted for two years at the first Ministerial meeting of WTO. That event also detailed the desirability and feasibility of alternative types of international agreement on trade-related antitrust principles (Hoekman, 1995).

Notwithstanding, in terms of national welfare perspective, strong rationale for adopting and enforcing antitrust rules is always available, although an open trade and investment regime is a powerful device to ensure competition because of not restricting entry or being controlled non-tradable sectors by domestic manufacturers and sheltered from foreign competition (through investment) imports may be subject to discrimination. Whether antitrust enforcement will improve national welfare depends on the substantive rules that are adopted and on their enforcement. As in any area of regulation, care must be taken that the specific disciplines that are adopted are appropriate to the economic situation of each country and that competition agencies are shielded from problems of capture and political influence.

Whatever the expectations of outcomes of a negotiation on competition policy without significant progress in reducing barriers to trade and investment are not so hopeful to enhance the contestability of markets. The participation of WTO organization in role of competition advocacy would be affordable and useful in providing and expanding the scope of liberalization efforts.



Picture 3. Proportion of businesses using the Internet(2014-2022)

Source: www.worldbank.org

Modern international trade economists have paid more attention to the so-called strategic trade policies. The basic idea of behind these policies is that trade instruments can be used to strategically affect the outcome of international competition (Motto and Onida, 1997).

But some economists argue that removing continuously trade barriers scales down competition policy by weakening government intervention to effect trade as well as being not enough power of the trade liberalization to enforce competition policy.

The next significant changes in the competition environment in economies have been observed by transformation of market infrastructure, globalization and digitalization.

The concentration in digital markets is deepening by trade, investment and technology according to UNCTAD. In 2024, digitally deliverable services made up more than 60% of total

services exports in advanced economies, 44% in developing ones and only 15% in least developed countries. Developing countries exported \$1.1 trillion in digital services in 2024, barely a fifth of the global total. Market dominance by a handful of firms, limits competition and squeezes local players. Within the developing world, Asia attracts a third of global digital services investment. About 80% of greenfield projects in digital sectors in the Global South are concentrated in just ten countries, most of them Asian. Artificial intelligence may widen gaps within and between countries, raising productivity in some sectors while displacing workers in others. Moreover, these divides carry heavy economic and social costs, limiting connectivity, job creation and prospects for growth (unctad.org, n.d.).

The following graph shows the percent of business entities using internet by economies and observes the scale of digitalization of them (worldbank.org, n.d.).

Recent some competition enforcement deals have made some characteristics is clear and more essential in digital markets. Because of these characteristics, there is an increased need for competition authorities to consider various factors such as the amount of user data and network effects, in addition to market share standards, in determining market dominance in addressing abuse of dominance by big technology companies. Most relevant cases relate to self-preferencing behaviours (Republic of Korea; Türkiye), exclusivity agreements (India), most favoured nation clauses in food deliveries (Egypt), abusive use of personal data (Germany) or unfair trading conditions (European Commission) (unctad, 2024).

The last trends of the development digital economy and following transformation of economic relations and its extending power over the world enforce countries to take effective measures on competition issues in today's digital markets.

Conclusion and suggestions.

According to the research results, it might be concluded that the competition concept has not entirely changed its bases and raised its accuracy and functions in an economy. However, the concept has significantly been transformed by trade, investment, digitalization, and globalization what countries should rely on the national competition advantages in the international ecosystem and revise competition development strategies for gaining competitiveness peculiarities.

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