
EFFECTS OF THE IMPACT OF FOREIGN TRADE ON ECONOMIC GROWTH IN THE NATIONAL ECONOMY

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Annotation. The article deals with the study of the effects of exports on economic growth in national economies in a transformation of the market environment, their factors, analyzes the main modern concepts of developing a strategy to increase the effect of exports on economic growth, in accordance with which the directions in which the state can actively influence on the process of maintaining the level and effectiveness of exports.

Keywords: uhexport, economic growth, quantitative growth of exports, qualitative growth of exports, impact of exports on economic growth, extensive growth of exports, intensive growth of exports, effect of exports on economic growth.

Introduction. As noted in "Development strategies of New Uzbekistan in 2022-2026", the country's development priorities are liberalization and simplification of export activities, diversification of the structure and geography of exports, expansion and mobilization of the export potential of economic sectors and territories, active and effective import substitution. An important role in the implementation of these tasks is assigned to the issues of increasing the effectthe impact of foreign trade on economic growth in national economies, analysis of the current state and rethinking of the important tasks of which time itself dictates (Decree, 2022).

In a short period of time, consistent work has been carried out in the country to integrate into the international economic community and create favorable conditions for increasing the country's export potential. At the same time, the current system of state support for exports does not stimulate the development of market principles for increasing export opportunities (Decree, 2018).

Separate empirical studies present estimates of the impact of quantitative and qualitative changes in exports on economic growth for selected developed and developing countries.

The significant heterogeneity of the regions of the Republic of Uzbekistan, associated with the socio-economic and geographical features of development, predetermines the need to assess the effects of export growth on economic growth at the regional level.

Thus, it seems particularly relevant to assess the effects of exports, taking into account quantitative and qualitative changes in exports, on economic growth rates in the regions of the Republic of Uzbekistan.

Literature review. Studies of the impact of export expansion on the economic growth of the regions of national economies are presented in the first works in this area by J. Henderson, J. Rauch, continue within the framework of the New Economic Geography and monopolistic competition models of P. Krugman, R. Elizondo, J. Tisza, J. Ottaviano , K. Behrens, M. Brüllhart, F. Trionfetti. Empirical estimates of the effects of exports on the economic growth of the regions of national economies are presented by a large set of works, among which a number of country and cross-country studies should be highlighted, including G. Hanson, P. Egger, K. Young, V. Martinkus, A. Rodriguez-Pose , R. Ezcurra.

Approaches to the assessment and analysis of intensive and extensive export growth are contained in the works of S. Evenett, E. Venables, A. Amurgo-Pachico, M. Pierola, T. Bisedes, T. Prusa, D. Hummels, P. Klinow, G. Filbermeier, V. Kolera.

The results on the impact of intensive growth of exports on economic growth can be considered on the basis of empirical testing of the hypothesis of economic growth under the influence of exports, presented in the works of T. Avokuse, L. Konya, A. Tiwari, A. Ludwig, as well as on the basis of an assessment of the duration of existence in the market exporting firms compared with non-exporting firms, which is presented in the works of J. Baldwin, E. Bernard, J. Jensen, D. Greenaway, R. Kneller.

The impact of extensive export growth on economic growth can be considered in works that study the dynamics of the productivity of exporting and non-exporting firms, in the self-selection hypothesis and the export learning hypothesis of such authors as R. Lopez, E. Bernard, J. Jensen, D. Greenaway, R. Kneller, J. Wagner.

Discussion. Highly appreciating the results obtained by the researchers noted above, it is important to note that the effects of intensive and extensive export growth on economic growth in the regions of national economies remain insufficiently studied. This is also true for the economy of the Republic of Uzbekistan. We are not aware of the existence of estimates of the effects of export growth on the economic growth of the regions of the Republic of Uzbekistan:

First, it is required to propose a methodology and conduct an empirical assessment of the effects of export growth on economic growth in the regions of the Republic of Uzbekistan. The empirical estimation technique should take into account the existence of the problem of endogeneity of the econometric model associated with the bidirectional dependence of exports and economic growth, as well as the existence of time-independent spatial fixed effects.

Second, it is essential to empirically assess the drivers of export growth through volume expansion within existing trade flows, since such export growth dominates the overall export growth rate of the world economy, is less risky compared to increasing the product or geographic diversity of exports, and is much less expensive, since it does not require the costs of research and development of a new export product, bringing a new product to the market, and also does not require costs to search for new export markets. It is required to clarify the methodology of empirical assessment and evaluate the factors influencing the intensive growth of exports in the regions of the Republic of Uzbekistan.

For this purpose, in this scientific article, based on the analysis of theoretical and empirical studies, we highlight the main effects of the impact of export expansion on economic growth in the world economy. At the same time, the emphasis is on the study of two main types of export growth:

1. The effects of export growth are considered, arising from an increase in the volume and value of trade within existing export flows, which may be a consequence of, for example, trade liberalization. This group of effects also includes the effects of the emergence of international trade as a result of the country's transition from autarky to an open economy.

2. The effects of export growth due to the process of export diversification and the emergence of new export goods and export markets under the influence of structural changes in the economy are considered.

Within the framework of international trade models. Efficiency effects in the national economy should be singled out depending on different assumptions about the production and consumption sectors and the distribution of resources.

First type of effects— effects of increasing the efficiency of the national economy due to the redistribution of resources under the assumption of constant returns to scale in the manufacturing sector.

Such effects are presented within the classical and neoclassical models of international trade. In A. Smith's model, international trade is seen as a mechanism for increasing welfare through labor mobility between sectors of the economy. Country transition from state autarky to international trade and the emergence of exports is associated with the redistribution of the only factor of production (labor) between industries. Specialization in production in Smith's model is seen as a source of efficiency gains. At the same time, A. Smith singles out the only limitation for labor mobility - the size of the market.

D. Ricardo's model with two countries, two goods and one factor of production extends A. Smith's model for the case when one country is more efficient in the production of both goods. International trade, according to D. Ricardo, arises as a result of international differences in the relative productivity of labor. Similar to the A. Smith model, in the D. Ricardo model, the transition to specialization and the export of one of the goods brings benefits and welfare growth for both economies.

Thus, as noted, free trade and the transition to specialization in the models of A. Smith and D. Ricardo can be considered as a way to achieve production efficiency at the global level (Sen, 2017).

This is also consistent with the results (Krugman, 2018), where it is noted that gross world output may increase if countries specialize in foreign trade in goods of their comparative advantage.

If in the classical theories of international trade the assumptions about the homogeneity and uniqueness of the production factor (labor) determine the benefits for all participants in international trade, then the assumption about the multiplicity and specificity of factors made in neoclassical models allows us to draw somewhat different conclusions regarding the distribution of gains between trade.

In accordance with the standard Heckscher-Ohlin model with two countries, two industries and two factors of production, the incentive for trade is the difference between countries in the relative abundance of factors of production, the transition from autarky to free trade is accompanied by redistribution effects: the country's relatively abundant factor of production wins, and relatively scarce - loses.

The distribution of gains and losses from international trade in the case of the Heckscher-Ohlin model is similar to the result of the model with specific factors, which assumes that each industry has one specific factor of production that cannot be transferred and used in another industry. As a result of international trade, changes in relative prices lead

to a change in the distribution of income between sectors, with the owners of one of the factors of production gaining, and the owners of another incurring losses. The amount of gain from trade typically exceeds the amount of loss, resulting in a net gain for the economy.

The second type of effects- the effects of increasing the efficiency of the national economy due to the redistribution of resources under the assumption of increasing returns to scale in the manufacturing sector.

The approach of New Trade Theory monopolistic competition models, which assumes increasing returns in the manufacturing sector, has significantly outperformed existing traditional arguments based on comparative advantage theories (Krugman, 2017).

Indeed, New Trade Theory models predict larger gains from trade than models based on comparative advantage.

A model that includes in the basic version 1 factor of production (labor), imperfect competition in the markets, differentiated goods and consumer preferences for a variety of consumed goods, considers the increase in market size as a benefit from international trade. In the transition to international trade, again, as in the models of Smith and Ricardo, there is a commodity specialization of production, while in a more capacious market there will be a decrease in average prices and an increase in the available range of varieties of goods. As a consequence, the growth in the welfare of the national economy occurs along with an increase in the varieties of goods available for consumption and an increase in efficiency caused by a decrease in unit costs with increasing returns to scale.

Third type of effects- the effects of increasing the efficiency of the national economy due to the redistribution of resources within industries from the least productive firms to more productive ones. Such effects are presented in the latest models of trade theory. As noted, the latest models of trading with heterogeneous firms have been a significant breakthrough in explaining the benefits of international trade, which turned out to be associated with a shift in the focus of analysis from the industry level to the firm level. So, M. Melitz considers a new type of benefits from international trade and shows that international trade allows only the most productive firms to enter the export market (while less productive firms continue to produce only for the domestic market), while the least productive firms go from the market (Melitz, 2013).

In general, due to the redistribution of resources within industries from the least productive firms to more productive ones, as well as the growth in sales of the most productive firms, the gross productivity in the economy increases.

Additional effects of international trade on economic growth can also be identified in the recent work of A. Bernard and S. Redding that the simultaneous intra- and inter-industry change in economic activity is accompanied by significant changes in employment in these industries, even when there is a net increase in employment in industries with comparative advantage and a net decline in employment in industries without comparative advantage. The authors show that the relative growth of high-performing firms increases gross productivity in all industries, with productivity growth highest in industries of comparative advantage. Price reduction associated with productivity growth (Bernard and Redding, 2017).

Thus, as discussed above, the expansion of international trade in the theoretical analysis of international trade models is associated with an increase in production efficiency with constant and increasing returns to scale, as well as with an increase in productivity and output. In addition, a number of papers argue the growth of market size and, consequently, access to a wider variety of goods at lower prices as an additional source of benefits from international trade.

The benefits from the expansion of international trade can be divided into static and dynamic, which corresponds, for example, to the static benefits from international trade, as a rule, the benefits in the Smith and Ricardo models are attributed - the benefits from the redistribution of resources between industries due to increased specialization in accordance with comparative advantage. The dynamic gains from trade shift the production possibilities curve if the expansion of international trade is accompanied by increased investment and productivity growth based on increasing returns to scale, learning effects from activities and the acquisition of new foreign technologies, including through externalities from foreign direct investment (Thirlwall, 2018).

Dynamic effects have been shown to be presented within the framework of Recent Trade Theory and its extensions.

In modern empirical research, there is no unambiguous conclusion about the existence of different types of benefits from the expansion of international trade on economic development. On the one hand, it is argued that benefits cannot be limited to static benefits based on comparative advantage. Thus, H. Berg and J. Lever suggest that the most significant are the long-term dynamic benefits arising from the positive effect of trade expansion on economic growth through several channels, including, for example, technology transfer. Therefore, the most comprehensive benefit analysis should be based on a combination of trade theory and economic growth theory (Berg and etc, 2017).

Fourth type of effects- the effects of increasing the efficiency of the national economy due to the redistribution of labor, the accumulation of experience and training of the workforce in the transition to specialization in more complex goods.

Such effects are presented in endogenous growth models. Considering the presence of two types of capital (physical and human), as well as the existence of positive externalities due to the accumulation of capital of any type.

In one of the first models of A. Yang's theory of endogenous growth, it is assumed that labor can accumulate experience or human capital through learning from the work process, which leads to positive external effects. The paper considers a developed country entering into free trade with a less developed country, under trade conditions, the growth rate of the less developed country decreases (compared to the autarky condition), and the growth rate of the developed country increases. Thus, in terms of dynamic effects, a less developed economy incurs dynamic losses from trade, while an advanced economy incurs dynamic gains (Young, 2011).

R. Lopez notes that the intuitive explanation for this result is as follows: static comparative advantage implies that a less developed country specializes in traditional goods,

the training of which is limited, while a developed country specializes in more complex goods, which provide ample opportunities for learning labor resources (López, 2015).

Finally, the fifth type of effects is the effects of the expansion of the world market of knowledge and technologies, access to which determines economic growth in the country.

As an example of the existence of such effects, consider the following two models. In the work of L. Riviera-Batis and P. Romer, the endogenous growth model is used to analyze the effects of economic integration of two similar countries or regions on economic growth. Technological progress in the model is determined by the introduction of a new type of capital created through R&D. The expansion of trade (as a result of economic integration), under the assumption of increasing returns to scale, which is the driver of economic growth, suggests that integration leads to a long-term increase in economic growth due to an increase in market size (Rivera and Romer, 2011). The authors distinguish two effects from the expansion of international trade. First, economies of scale arising from the expansion of the market, allowing for an increase in the global volume of research activity and, second, the expansion of cross-border technological externalities, which improve the productivity of research activities. The effects of exports on economic growth discussed above are presented in Table 1. In the last decade, the hypothesis of a non-linear nature of the relationship between diversification (and, conversely, specialization) of exports and economic development has been actively developed. In the work of J. Imbs and R. Vatsarg, the existence of a U-shaped relationship between diversification and GDP per capita is affirmed.

Table 1.

The effects of exports on economic growth in theoretical studies

Model type	Effect Type	Effect
Classical models of international trade Smith, Ricardo	Static	effects of increasing the efficiency of the national economy due to the reallocation of resources under the assumption of constant returns to scale in the manufacturing sector
Neoclassical models of international trade by Heckscher-Ohlin, Ricardo-Weiner		
Models of monopolistic competition based on the Krugman approach	Dynamic	effects of increasing the efficiency of the national economy due to the reallocation of resources under the assumption of increasing returns to scale in the manufacturing sector
International trade models with heterogeneous firms based on the Melitz approach	Dynamic	effects of increasing the efficiency of the national economy due to the redistribution of resources within industries from the least productive firms to more productive ones
Models of endogenous growth presented by Young, Riviera Batis and Romer	Dynamic	effects of increasing the efficiency of the national economy due to the redistribution of labor, the accumulation of experience and training of the labor force in the transition to specialization in more complex goods
		effects of the expansion of the world market of knowledge and technologies, access to which determines the economic growth in the country.

As the authors note, the revealed dynamics reflects the distribution of resources between industries much better, while each distribution of resources reflects the level of economic growth and trade openness, which corresponds to a number of existing theories that explain the structure of countries' international trade (Imbs and Wacziarg, 2018).

One recent work supports the validity of the U-shaped relationship with the capital accumulation arguments of the neoclassical Heckscher-Ohlin theory of trade. According to the arguments, less developed labor-abundant countries in the process of development accumulate capital and diversify output, shifting production from labor-intensive to capital-intensive industries, while rich capital-abundant countries continue to accumulate capital and concentrate production on pronounced capital-intensive goods (Batista and Potin, 2018).

The Action Strategy implemented in the country in five priority areas of development of the Republic of Uzbekistan in 2017-2021 laid the foundation for solving the main tasks of expanding and strengthening the export potential in order to achieve the export-oriented industrial development of the country.

The country has created the National Export Support System, the Export Promotion Agency is operating, and there is a mechanism for compensating 50% of transportation costs when exporting 205 items of goods.

By the end of 2021, 45 agro-logistics complexes, 205 processing facilities, and at least 36,000 hectares of intensive orchards have been created in the republic. Almost \$1 billion was allocated for these purposes. The President instructed to double the export of fruits and vegetables in 2021 and increase the production of localized goods in all regions and industries by 20% within two years and these tasks were exceeded (Decree, 2019).

“Improving the competitiveness of the national economy, liberalizing foreign trade policy, expanding the geography of exports, transferring leadership in the structure of exports from raw materials and intermediate products to exporting finished products, increasing the position of the national economy in the world market by joining the WTO with the least losses” are the most important tasks of the strategy for the development of foreign trade and ensuring the sustainability of the balance of payments, marked by the Concept of integrated socio-economic development of the Republic of Uzbekistan until 2030.

Export targets for 2030 will reach \$38 billion. In the structure of exports, the volume of fruits and vegetables will increase by more than 5 times, export services - by more than 3 times compared to 2018 (Decree, 2019).

Conclusion. An important priority in the development of foreign trade in the country is economic cooperation and the expansion of foreign economic relations, through attracting foreign investment, creating joint ventures, international associations and organizations, credit agreements, processing raw materials tolling, international tourism, etc.

The main areas of cooperation between Uzbekistan and foreign partners in the near future should be considered:

1. The objective prerequisites for the development of cooperation with the CIS states are determined by the presence of a common border, similar transport and economic infrastructure, cultural traditions and language.

2. Activation of trade and economic cooperation with the developing countries of Asia.

3. Integration of domestic enterprises into large transnational corporations to form global production chains.

At the same time, one of the most important and new promising areas for the Republic of Uzbekistan is interregional cooperation in foreign economic activity with foreign countries.

In expanding the export potential of the republic and determining priority areas in industries, it is necessary to determine, first of all, areas where Uzbekistan has competitive advantages.

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