

Improving the Methodology for Increasing the Export Capacity of Territories in the Digital Economy

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Abstract. The most important condition for increasing the export potential of regions is the presence of an effective system of regional institutions, which allows creating a favorable environment for export activities. This article provides a definition of the economic category “export potential of the region” from the perspective of its essential content and structural content. The institutional mechanism is presented as a flexible adaptive system of interacting organizational elements - external, internal, border, allowing for the comprehensive development of exports in the region.

Keywords: export, export potential, export support, region, institutional mechanism, export accelerator.

1. INTRODUCTION

The relevance of studying the export potential (hereinafter - EP) of the region is due to a number of circumstances. Firstly, the need to strengthen the role of the country's regions in the implementation of the state's foreign economic policy in the new conditions of development and transformation of integration processes of the world economy [1]. Secondly, by increasing the involvement of the country's subjects in the implementation of foreign economic and, in particular, export activities, which turns the effective use of the regions' export potential into an important factor in the country's sustainable position in the international arena. Thirdly, the direct participation of regions in foreign economic activity stimulates domestic economic growth and social stability, accelerates the implementation of overdue structural reforms and the modernization of regional economic complexes, and increases the share of competitive domestic products in demand on the world market.[2]

2. LITERATURE REVIEW

The region's export potential is a complex and complex concept. The issues of the content of the region's export potential, theoretical and methodological approaches to its assessment were developed in the works of domestic and foreign authors [3-9]; issues of managing the export potential of the region have been deeply studied [10-11]; A number of works have proposed methods for assessing the export competitiveness of regions [12-13].

The economic category “export potential” entered scientific circulation in the early 90s. last century, coming in a certain sense to replace the category “export base of industry” used earlier [14]. As a result of realizing the close connection between the economic growth and well-being of regions and the importance of exports in their development, the emphasis in research was shifted to the relationship between the foreign economic activities of regional enterprises and the formation of a regional institutional environment, which began to be considered in the scientific literature as an important factor in supporting and stimulating exports in the region. In modern economic literature, there are many different interpretations of the category “export potential”, which, for the purpose of scientific analysis, can be grouped as follows:

- 1) export potential as the ability to produce and export the required amount of competitive goods [15]
- 2) export potential as a complex indicator characterizing the production of goods, their promotion to foreign markets, sales and after-sales service [4, 6];
- 3) export potential as a resource base and the state of the economy, which together provide the region with scientific, technical, technological and social development [7].

The most complete and comprehensive, in our opinion, definition of the concept of “export potential” is offered by Yu.A. Savinov and A.Yu. Migunov [18]. Firstly, in the context of export potential, they include a wide list of entities engaged in export activities (the national economy as a whole, its sectors, industries, enterprises, companies). Secondly, the concept implies the ability not only to produce competitive products, but also to sell them on foreign markets. Thirdly, the authors take into account national competitive advantages, which imply the influence of both external and internal factors on the development of the region's export potential.

3. ANALYSIS AND RESULTS

When studying the export potential of a region, it is necessary to take into account its complex structure, which is a set of private potentials of the subject. Some scientists identify a number of basic structural elements of the region's export potential, as well as marketing and investment potentials, which, in our opinion, are complementary and resulting elements in relation to the regional export potential.

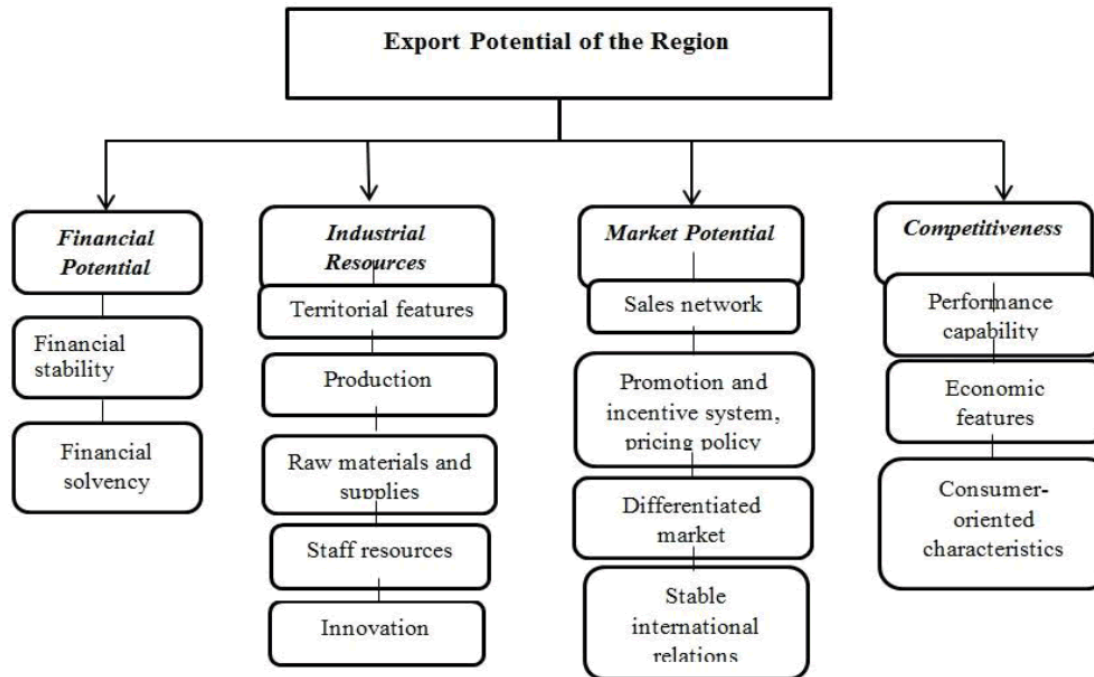


Fig.1. Development Factors of Export Potential of the Region [16]

A special role in the structure of export potential is played by institutional potential, which is inextricably linked with the infrastructural, production and innovation potential of the region, since it determines the degree of development of the leading institutions of the market economy, forms of ownership, small and medium-sized businesses, and business activity of the region's population [19, 20].

The institutional structure of the region in the context of solving the problem of increasing export potential can be presented in several aspects. This study makes a departure from traditional approaches to grouping elements of the institutional structure of a region, which are based on dividing institutions into formal and informal, exogenous and endogenous, political, social and economic. We propose to group them from the point of view of creating favorable conditions for the development of export activities in the region. Thus, the main components of the structure under consideration include:

- 4) Institute of the state (foreign trade policy, stimulation of export activities, creation of development institutions and support structures for export-oriented enterprises, etc.).
- 5) Institute of Law (legal regulation of export activities, state support for export activities, tax incentives, subsidies, etc.).
- 6) Institute of Science (generation of innovations in order to create in-demand and competitive products on the world market, creation and development of a system of technology parks and research centers, etc.).
- 7) Institute of Education (training personnel for the innovative economy, training in the specifics of export activities, etc.).
- 8) Institute of Business (export orientation, demand for competitive products, etc.).

All of the above institutions, of course, find application and space for development both at the level of the state as a whole and at the regional level.

Thus, the export potential of the region presupposes the presence of a realizable ability to produce the required quantity of competitive products, promote them and sell them on the foreign market. All of these processes occur in

close interconnection and are based on the use of private potentials of the region, namely: organizational and managerial, human resources, natural resources, infrastructure, innovation, production and technological, marketing and investment.

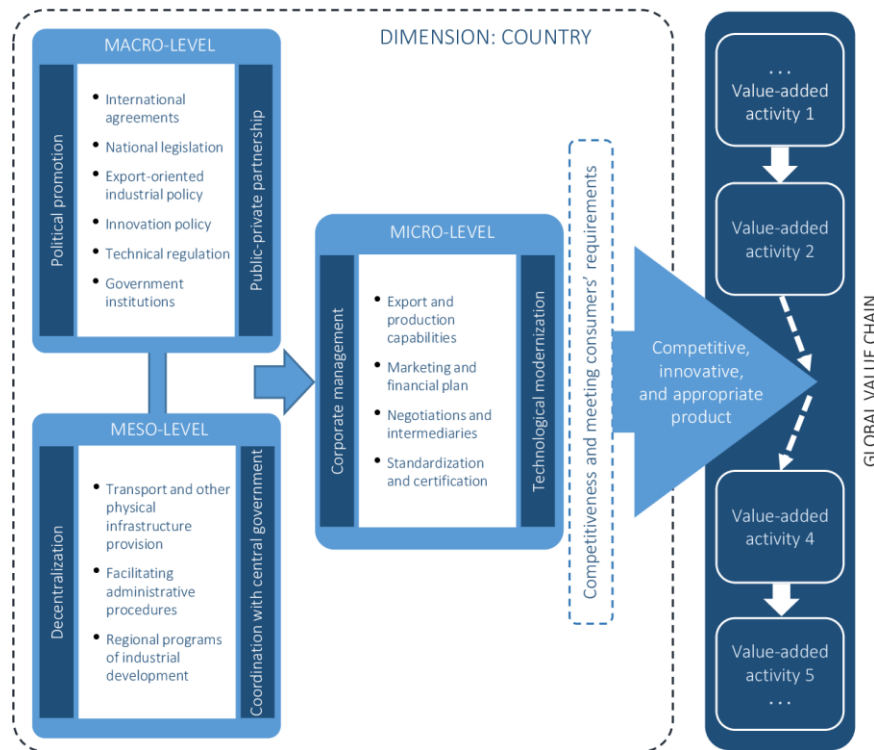


Fig.2. An institutional mechanism for integrating domestic manufacturing into global value chains [17]

The main reasons for the lack of export activity in the regions today are, as a rule, the lack of up-to-date information on export activities, the indecisiveness of companies, the lack of international experience and the inability to objectively assess their own capabilities. Meanwhile, many goods produced by domestic enterprises located in regions, often far from capitals and major industrial centers, are able to compete with well-known global brands - both in price and quality. According to a significant number of experts and businessmen, it is subjective reasons that hinder the development of regional exports no less, and often more, than administrative, organizational and economic barriers. Solving all these problems is one of the main tasks of the proposed institutional mechanism for increasing the export potential of the region.

The institutional mechanism - and this is its fundamental feature - is conceived as an open, adaptive system, created at the regional level and aimed at implementing both strategic and tactical tasks and solving operational issues.

Unlike most existing regional export associations, associations and other existing export support institutions, the created mechanism will be open to interaction with institutional elements of other entities of foreign states, which is the fundamental principle of its successful functioning in the region (Fig. 3). The institutional mechanism for increasing export potential includes several main interrelated elements plus one so-called “free” element. All elements play an independent role, but function in conjunction with each other.

An information system is a set of databases necessary for storing, effectively distributing and exchanging information between interacting elements of the mechanism, as well as adapted programs and applications for information users. This system includes:

- 1) a catalog of exporters of each region of the country separately with the ability to switch to one region mode (a database of websites and information cards in various languages);
- 2) catalog of foreign buyers (generated demand and consumer queries by keywords);
- 3) interactive maps showing potential supply and demand matches;
- 4) applications that are analogues of marketplaces based on industry characteristics;
- 5) a catalog of brands for each region;
- 6) base of suppliers of transport services and storage services.

In addition, within the framework of a unified information system, the region simultaneously has the opportunity to create a positive image and ensure high recognition of regional brands.

Under the current conditions, the region faces the most important task: to declare itself on the world stage. An open information system can significantly replace or at least complement such expensive and labor-intensive methods of attracting foreign consumers and demonstrating regional products as national and international exhibitions and fairs.

Particular attention should be paid to the regional export accelerator as part of the institutional mechanism for increasing the export potential of the region. An export accelerator is a system of educational, financial and non-financial measures aimed at supporting and accelerating the development of export activities of companies, including those that have not previously exported. The main activities of the region's export accelerator will be the following:

- 1) consultations from relevant industry and technology experts to assess the export potential of the exporting company's products for the target foreign market;
- 2) establishing contacts with qualified partners and clients in foreign markets;
- 3) accelerated development and implementation of a plan to enter foreign markets through access to the expert and network of the export project;
- 4) providing companies with access to additional services and services of development institutions;
- 5) solving cases based on the experience of the largest exporters.

Thus, through a preliminary assessment of the export potential of a company that has applied to the export accelerator, strengths and weaknesses will be identified for the further development of the company's export activity.

Among the presented elements of the institutional mechanism for increasing export potential, the regional center for export innovation deserves special attention, designed to develop its own methods, as well as analyze and adapt the best world practices in the field of export development to the conditions of the region. This center will have 2 main areas of activity:

- 1) generating qualitatively new tools and methods for developing export activities in a specific region;
- 2) adaptation of existing world export promotion practices to the characteristics of a particular region.

One of these areas can be, for example, industrial tourism, which has developed in Europe. In our opinion, such an unusual method will solve several problems of regional exporters at once and will provide a manufacturer who decides to open its doors for excursions with the opportunity to promote products both in domestic and foreign markets. In addition, consumer confidence in the plant's products increases, and existing stereotypes on the part of foreign consumers are eliminated. Industrial tourism is a modern approach to advertising and promoting regional industries, as well as an opportunity to unlock the potential of single-industry towns, since most historical unique industries are located in regions on the periphery of large cities.

And finally, the presence of a "free" element indicates the openness and flexibility of the system. The institutional mechanism outside the region includes associations and associations of producers - representatives of various industries. As a rule, the main goal of these groups is to promote goods in foreign markets and improve the status of business in the world. Within the framework of the created mechanism, it is assumed that regional exporters, independently or by contacting the coordination center, receive information about the benefits of membership in a particular association. Membership in such international associations increases the status of a regional manufacturer, guarantees an increase in the company's image and, as a result, the demand for products increases and the volume of exports increases. The fact is that each association has certain requirements for entry and often they turn out to be very strict, that is, having received approval from this association of producers, a regional company automatically guarantees its reliability as an exporter.

4. CONCLUSIONS

Thus, an institutional mechanism is a set of organizational and institutional structures, containing both interrelated organizational elements and the conditions and features of their interaction, which carries out the functioning and achievement of the goals of the mechanism, which is to ensure the process of increasing the export potential of the region. The institutional mechanism for increasing the regional export potential is based on the principles of openness and diversification; for its successful functioning, the participation of elements at various levels is necessary. For the formation and development of an institutional mechanism, two important conditions must be met: a relatively long time (necessary for the mechanism to "penetrate" all involved spheres of the regional economy) and special conditions (support and protection of institutional changes through administration, monitoring of changes, information support, training of specialists within elements of the institutional mechanism, etc.). In each subject of the region, such a mechanism should be formed, naturally, taking into account the unique features, characteristics and economic situation

of a particular region, which will make it possible to make optimal management decisions on the implementation of export activities and the entry of regional enterprises into foreign markets.

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