



Competition In A Market Economy, Its Types And Peculiarities Of Its Use In The Hotel Industry

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ABSTRACT

This article discusses the competition and its related terms, its types and specific features, which are considered relevant today. The organization of the fight against competition in hotels and its benefits are also revealed.

KEYWORDS

Competition, hotel, tourism, economic struggle, commodity, competitive struggle, inter-sectoral competition, monopoly, intra-sectoral competition, economic struggle, consumer.

INTRODUCTION

In the current pandemic, the tourism industry is developing very slowly. The pandemic triggered a sudden economic crisis in 185 countries¹.

This, in turn, has left countries with many pressing economic and social challenges. Currently, one of the fastest growing sectors of the country's economy is tourism. Sustainable development of tourism requires increasing the competitiveness of each of its subjects. In our opinion, the competitiveness of enterprises operating in the field of tourism means the breadth and prospects of their activities compared to competitive entities,

¹ Ortikniyozovich, F. U. (2020). Theme: Forecasts And Results Of The Negative Impact Of The Covid-19 (Coronavirus) Pandemic On The World Economy And The Economy Of Uzbekistan. The American Journal of Interdisciplinary Innovations and Research, 2(08), 108-116. <https://doi.org/10.37547/tajir/Volume02Issue08-15>.

the strength of the ability to make more profit by targeting costs².

THE MAIN RESULTS AND FINDINGS

One of the main factors in the development of a market economy is competition. In the economic literature, competition is referred to as the driving force behind the participants in market relations. The stronger the competition in the market, the better the quality of goods and services and the lower the price that is, competition, by its very nature, is one of the basic objective laws of a market economy, an essential condition for the improvement of market relations. Competition is the struggle between each producer of goods, different services and consumers to make a good profit and strengthen their position in the market and in the economy as a whole. The end result of this competition is the struggle for consumers and the interests of those who participate in it. Every market participant, that is, the seller of resources, strives to sell its resources, service providers - its services, producers - its goods at the highest possible prices. Firms, businesses, sellers, consumers - all compete with each other. In developed market economies, this competition is free and complete. There is competition, even among consumers, who try to buy the highest quality goods at the lowest prices. Competition is a multifaceted concept that involves complex relationships between all market participants. Competition is described differently in the literature published by economists in our country. In particular, A. Olmasov's textbook "Fundamentals of Economics" describes

competition as follows: "Competition is the fullest expression of the interests of participants in economic activity, that is, to earn a better income, to improve their position. To strengthen, to show one's abilities, and to fight with others in order to gain an image (reputation). " Sh. Shodmonov, R. Alimov, and T. Jorayev write that "competition is a conflict of economic interests of market participants, which means a struggle for higher profits and greater profitability between them." He went on to say, "In this case, there is a struggle between manufacturers to get more profit for each unit of cost. As a result of the pursuit of these benefits, there is a struggle between commodity markets for affordable markets, cheap raw materials, energy and cheap labor. In turn, consumers, that is, consumers, struggle to get more profit at the expense of every penny spent, each of them trying to get cheap and quality goods and services. The economic basis of competition is the freedom and independence of producers as active entrepreneurs and property owners. "

Competition takes the following main forms::

1. Intra-industry competition - in which companies in the same network compete with each other. This competition is carried out, first of all, through the development of production. Businesses strive to increase labor productivity, improve product quality, reduce production costs, create more favorable conditions for the sale of their goods and make additional profits through the use of high-performance technologies in production. Intra-industry competition determines the market value of goods,

² <https://eprajournals.com/viewjournal.php?jid=4863>.

and this value usually corresponds to the average value of goods produced in a particular industry. Therefore, as a result of competition within the industry, high-productivity enterprises using new equipment and technologies will receive additional benefits. Businesses that fail to use new techniques and technologies, increase labor productivity, and improve product quality will suffer and compete.

2. Cross-sectoral competition - is carried out for high profits between enterprises belonging to different industries. As a result of such competition, some companies move from one low-profit sector to another high-profit sector. In economic theory, this is called the intersectoral flow of capital. As capital shifts from one industry to another, making more profits, and organizing production, the industry expands and their supply increases. This, in turn, will lead to lower prices for the industry's goods in the market and lower profits for the industry. In a market economy, the transfer of capital from one low-profit sector to another is a continuous and objective process. This process takes place under the influence of the law of supply and demand in the market. As a result, production in low-profit sectors decreases and demand for their goods in the market increases, which leads to higher prices and higher profit margins in the sector. In conclusion, cross-sectoral competition, as an objective process, creates a dynamic equilibrium in the market. This balance ensures equal returns for equal capital, regardless of the sector in which the capital is invested.

Cross-sectoral competition is a factor in determining the average cross-sectoral profit margin in a market.

It is known that competition, which is the main feature of a market economy and its driving force, develops inextricably linked with the development of market relations. The development and regulation of competitive relations in countries living in a market economy has long been a complex process. As a result, competition in the developed countries of the world is now improving as an integral part of the market system. In this regard, great importance is attached in our country to the development of competitive relations, which are the main symbol of the market economy, the driving force. Because it is impossible to improve market relations without taking into account the objective laws of the market economy - supply and demand, the purity of goods, the requirements of the law of competition. It is impossible to imagine the effective development of a market economy without competition. Therefore, the government has adopted a number of laws on the development and regulation of competition, the implementation of which is monitored. This indicates that the conditions are being created for competition in the market.

As we have shown above, as competition in the market intensifies, so does the process of monopolization in the economy, leading to limited competition. This situation requires the state to create conditions for competition in the country. An effective way to ensure free competition is reflected in the state's antitrust policy. There are penalties for actions such as non-compliance with the law,

causing harm to an opponent. Violators can be fined, compensated, or deprived of benefits. In order to implement antitrust measures, the General Directorate for Demonopolization and Development of Competition was established in the system of the Ministry of Finance. The department has the legal authority to register monopoly enterprises in the country and regulate prices for their products. Later, this department was transformed into the Republican State Committee for Antimonopoly and Development of Competition, and now this committee operates taking into account the world experience and the peculiarities of the transition period in determining the criteria for inclusion of monopolies in the state register is growing. This state committee, in its mandate, uses a number of methods to regulate the market position of registered monopolies. In particular, the first method is to set the maximum price for the products of monopolies or the margins of profitability. For example, according to the criteria set by the committee, if a certain type of product produced by an enterprise exceeds 35% of that type of product on the market, the enterprise is included in the state register as a monopoly enterprise and measures are taken against them. If they are in the food group, the criterion for such goods should not exceed 20%.

The second method is to break up or break up monopolistic associations that abuse their monopoly position. This work is carried out in accordance with the Regulation "On the procedure for withdrawal of facilities from the composition of business associations and companies," approved by the Cabinet of Ministers of July 18, 1994 No. 366. In 1994-

1996 alone, 14,972 objects were removed from monopoly joint-stock companies, rental and other public enterprises and transformed into independent enterprises. In 2000, 154 open joint-stock companies were established on the basis of privatized facilities. This work is still going on.

An important step in the fight against monopolies is the adoption of the Law of the Republic of Uzbekistan "On Consumer Protection". According to the law, a mechanism has been created to prevent the release of goods that do not meet the requirements of the markets. As a result, the regulation of the activities of natural monopolies in the country, ie the level of prices and tariffs for their products and services, as well as the main indicators of the type of goods and services offered.

Here are some things that can negatively affect the competitiveness of tourism enterprises in Uzbekistan:

- Food in many hotels does not meet modern requirements;
- The high cost of hotel services in Uzbekistan compared to our main competitors - high transport costs;
- The scarcity and relative value of our national souvenirs purchased for tourist souvenirs;
- Lack of funds in the private sector to improve the existing infrastructure and create new ones;
- The lack of information about Uzbekistan in the majority of foreign citizens due to

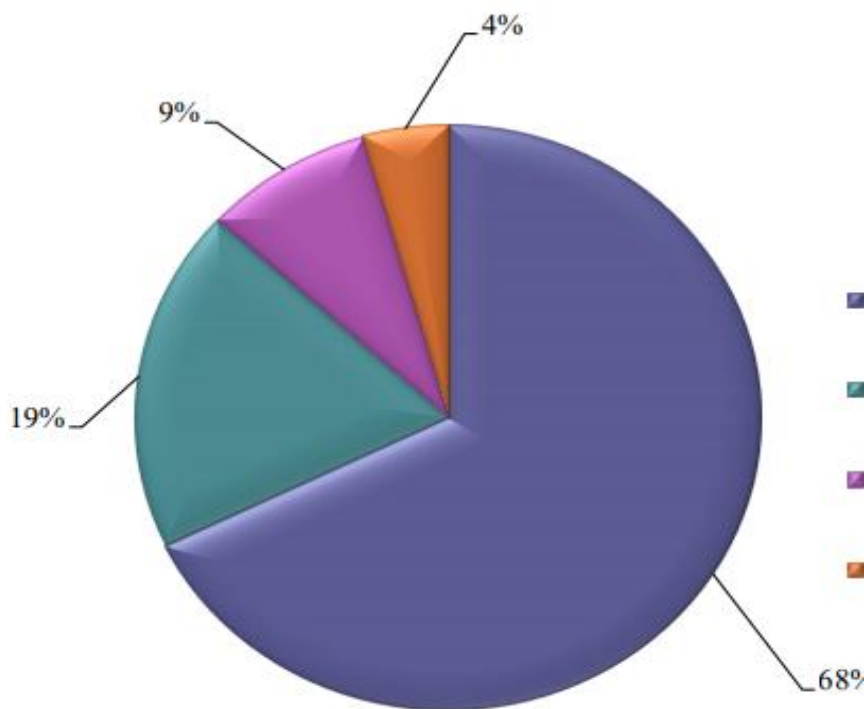
insufficient attention to propaganda issues;

In order to overcome the above, we must first and foremost ensure the quality of our tourist services. To do this, it is necessary to organize the training of representatives of the tourism business in developed countries: before producing a service that is really considered high quality, it is necessary to get acquainted with how others provide this service! Second, to revise our pricing system for our tourism products; When setting a price, one should pay attention to the price level in neighboring countries, especially in Central Asia, as well as in China, Iran, India and Turkey. Because these countries are the main competitors of Uzbekistan in the international tourism market, and monitoring their actions will be beneficial for our national tourism enterprises. Third is the training to take on the attitude of success and achievement while undergoing emotional states. To this end, the Silk Road International Tourism University has been established in Samarkand, which trains specialists in the field of tourism. Fourth, combining the propaganda work of all our enterprises in the promotion of Uzbek tourism abroad under a common theme that is different from our competitors can help

Uzbekistan to gain a stronger position in the international tourism market. To do this, we need to re-examine our tourism resources, identify ways to use them effectively and sustainably, and, based on this, develop a national tourism brand. We are convinced that many of the resources of our generous Uzbekistan, which can serve for the development of tourism, have not yet been discovered. Our task is to find, study and develop ways to use them, thinking that they will be used by future generations.

In 2019, the number of collective accommodation facilities will be 205, including 139 hotels and similar accommodation facilities, 125 hotels, 14 short-term accommodation facilities, 39 specialized accommodation facilities, 18 individual accommodation facilities. The remaining 9 of the vehicles are hostels and similar dormitories. The hotel and similar accommodation facilities have 2859 rooms and 5800 seats. The number of people housed in them was 268,367. Of these, 85,819 are citizens of Uzbekistan, 41,898 are citizens of the CIS, and 140,650 are citizens of foreign countries.

Means Of Collective Placement In Samarkand Region In 2019::



68% - Hotel And Similar Accommodation;

19% - Specialized Placement Tools;

9% - Individual Placement Tools;

4% - Other Placement Tools.

CONCLUSION

In general, the Republic of Uzbekistan today is not able to effectively use the opportunities to increase the competitiveness of tourism enterprises. We believe that in the context of the logical completion of our tourism reforms, the continuous improvement of the tourism management system, the increase in the amount of funds allocated by our government for the development of tourism, the effective

use of Uzbekistan's tourism potential. It will be possible to increase the productivity of private enterprises and ensure the material and spiritual well-being of the local population.

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