

INTERREGIONAL SOCIO-ECONOMIC COOPERATION ANALYSIS CASES OF FOREIGN COUNTRIES

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***Abstract.** This article analysis the methodological aspects and main issues of interregional cooperation of the Fergana valley regions of Uzbekistan. The level of socio-economic interdependence, innovation, the natural, economic potentials of the regions, the advantages of competitiveness as well as interregional relations of Russian Federation, United States of America, People`s Republic of China and European Union.*

***Key words:** interregional cooperation, socio-economic relations, interterritorial economy, regional economy, socio-economic system and territorial division, socio-economic issues, trade and services, economic regions, scientific and analytical stages, regional policy and information base.*

Introduction

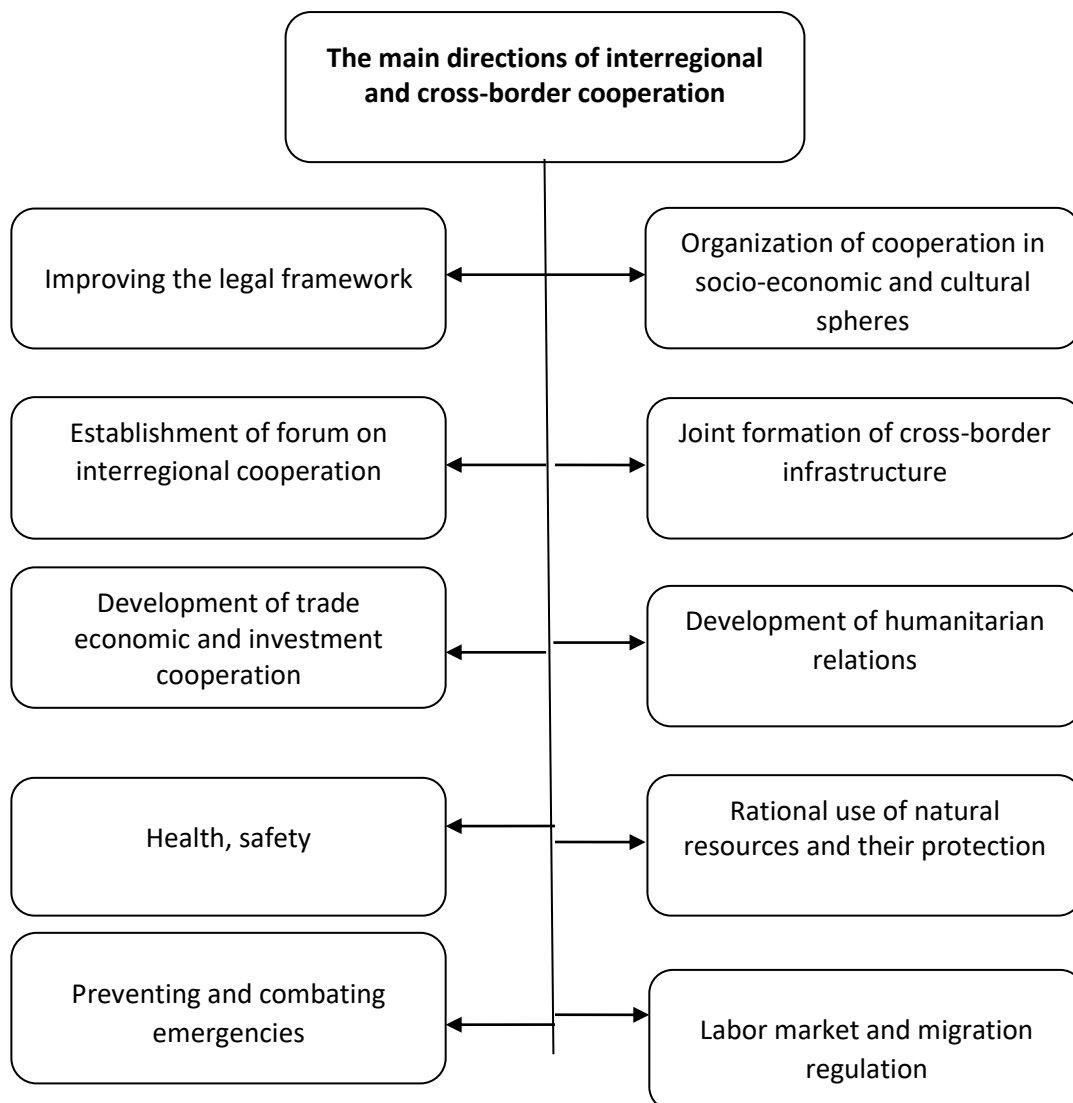
In foreign countries various international associations have accumulated positive experiences in development of interregional economies, and on the basis of their systematic research it can be developed specific scientific and practical proposals. In particular, the Commonwealth of Independent States (CIS) has created a regulatory framework for interregional cooperation which has achieved certain results in development of relations between the regions, based on the specific interests of each country. As an example, there was held the first forum of regional cooperation between Russia and Uzbekistan in October 17-20th, 2018. The main objectives were:

-socio-economic development assistance of CIS, Commonwealth of Independent States;

-ensuring the formation and development of mutually beneficial and coordinated regional policy of cooperation processes;

-development of trade, economic, cultural and human potentials.

The main factors of interregional and cross-border cooperation are interstate relations, historical ties, traditions of the population, natural, economic potentials and population migration. The main directions and goals of interregional cooperation of the CIS countries are determined on the basis of existing factors (Figure 1.3.1).



Discussion

Socio-economic cooperation between the internal territories of separate countries has a direct scientific and practical significance for our research. There is some experience in this area in Russian Federation.

Russian Federation, interregional cooperation has developed some level, such as the "Siberian Treaty", "Center-Black Earth", "North-West", "Great Volga", "North Caucasus", "Great Ural", "Far East" and others. Economic cooperation associations that unite these two or more regions, supported by federal government agencies.

There are different forms and methods of interregional cooperation. For example, there is an alliance between the city of Moscow and Moscow region, the St.Petersburg region which coordinates cooperation. Public unions and associations have been established within the framework of local government. Examples include the Union of Russian cities, the Congress of local districts, the associations of small and medium cities and others.

In particular, program for the development of the transport system in these regions has been developed and the Union has fulfilled the following tasks:

- evaluation effectiveness of St. Petersburg and Leningrad regions` transport communications;

- preparation of proposals for the development of a targeted state program for the development of transport infrastructure providing interconnected regions;

- development of regulations on the necessary financial and logistical resources for the development of a single infrastructure.

Decisions made by the Coordinating Union are binding on all ministries and organizations. The experience of the Russian Federation in the field of interregional cooperation shows that the relations between the main regions are carried out within the economic zone. In Siberia, Baikal, North-West, Caucasus, Krasnoyarsk, Far East and other economic zones, the close cooperation between their constituent regions the existence of single infrastructure, the formation of certain specialization served as an important factor. Socio-economic relations are focused on trade, implementation of joint investment projects, the establishment of joint ventures, meeting the needs and services for the population.

The analysis shows that the main mechanism of interregional cooperation in Russia is the conclusion of agreements and treaties between the legislative and

executive bodies of the regions. As an example, in 2018 the Leningrad region signed more than 26 agreements on cooperation with other regions, and the Rostov region signed at the level of 6 legislative bodies.

Most of the agreements are concluded between the territorial administrations (administration, government, executive body). Kastrova region has signed 62 agreements on trade, economic, scientific, technical and cultural cooperation with other regions of Russia. This figure 57 is in the Rostov region. It should be noted that Uzbekistan has no agreements on interregional cooperation.

New areas of interregional cooperation in Russia include agreements under purpose of developing various socio-economic ties between entrepreneurs and youth organizations.

In general, great emphasis is placed on development of interregional cooperation in Russian Federation. In future, this direction will be focused on the implementation of single regional policy, the need to develop socio-economic relations at the level of economic regions, the specific natural and economic potentials of each regions, the level of specialization meeting the needs of the population¹.

The United States of America has a highly decentralized government system. The role and responsibilities of states, municipalities and districts in socio-economic development are high. They pursue an independent regional policy and inter-regional cooperation depends directly on them. Interregional cooperation can be assessed mainly through the effective organization of transport infrastructure, cooperation in trade, services and industrial enterprises in interests of the population.

Japan, regional policy has been implemented taking into account the high level of production and population density, as well as the well-developed northern regions of Hokkaido and Tohoku. Its distinctive features are:

-the development of the regions and the location of productive forces have a clear legal basis;

¹ Rostanets V.G., Topilin A.V., *Napravleniya i metody issledovaniya problem mejregionalnogo sotrudnichestvo v sovremennoy Rossii.* – M, RAEN, 2015, №2.

-private investors are not supported like the European Union, the United States and Canada;

-the main focus is on the formation of a single infrastructure for the development of exports and industry;

-in the plan of socio-economic development of the country, special plans for the organization of regional, including interregional cooperation. (Hokkaido, Okinawa Development Projects).

European Union, countries have accumulated some experience on development of regional and interregional cooperation. Four types of programs for integrated development of the regions have been developed and implemented:

First, national programs were developed on the interests of each countries` of the European Union.

Second, interstate programs were developed mainly on the interests of industries and regions.

Third, special long-term programs mainly aimed at regional development were funded through a special fund.

Fourth, generalized programs have been developed which would implement activities through a number of special funds, investment banks. A number of countries and regions in the European Union operate within the framework of cooperation organizations. These are the free trade zones, the customs union, the common market and economic cooperation.

In developed European Countries, interregional cooperation is based on the principles of a market economy on different directions, depending on the common goals, the specifics of each country the potentials of the regions.

The role of the specially established Territorial Development Fund in the development of regional and interregional cooperation is high. The funds will be directed to investment projects in the fields of transport infrastructures, services, culture and sports in the regions.

People's Republic of China, regional policy is considered as a priority factor.

The developed regional plans and programs include:

- complex and coordinated different regions` development;
- demographic policy, population distribution and birth reduction;
- rational and full use of local natural resources;
- support for local initiatives.

Special economic zones play an important role on implementation of regional policy. There are more than thirty of them, which are designed to attract foreign investment.

The organization of interregional cooperation in China is carried out by the central government and local authorities.

The process of decentralization in foreign countries takes many forms and plays an important role on the organization of interregional cooperation. While decentralization level is high in the United States, the process is moderate in the European Union countries. Differences in the formation of the budget-tax system in the regions cause some problems in the development of interregional cooperation.

French Republic, the role of local taxes budget is 60% and 40% is allocated from the center as a subsidy. Regions set local taxes themselves. Summarizing the above, it can be said that interregional cooperation in foreign countries has a different form, each country forms of socio-economic ties between the regions based on its interests, natural and economic potentials, the priorities of ongoing reforms.

It`s level and width are affected by a number of factors:

- specialization of the regions;
- the level of complex and coordinated development of the regions;
- implementation of interregional cooperation mainly within economic regions;
- effective use of natural and economic potentials;
- rational placement of enterprises and industries;
- the formation of a certain management system, etc.

Republic of Uzbekistan,

In Uzbekistan great attention is paid to the complex and balanced socio-economic development of the regions it is looked as an important factor of sustainable economic growth. President Shavkat Mirziyoyev in his address to the Oliy Majlis mentioned the need to "Accelerate the process of urbanization integrated development of the regions the creation of suitable living conditions for the population".¹ It should be noted that the role of human capital, innovation and digital technologies in the formation of interregional cooperation, along with specialization, location of productive forces, natural and geographical conditions sharply has been increased. In Uzbekistan demographic processes and social factors play an important role in development of interregional cooperation.

The analysis of scientific works and articles on interregional cooperation show that it has different levels of forms each with its own characteristics.

Cooperation between the regions of Uzbekistan which is the object of direct research can be divided into different levels. They consist of interregional and inter-district cooperation between the regions, part of the economic regions the Republic of Karakalpakstan, 12 regions and the city of Tashkent.

One of the important areas of regional cooperation is how it will be implemented. Scientists` and experts` recommendations in various forms of cooperation relations, in our opinion in condition of Uzbekistan, forms of interregional socio-economic cooperation should be aimed at solving existing problems, increasing production efficiency, ensuring sustainable economic growth and improving living standards. The definite grouping of the proposed forms of interregional cooperation is reflected in the following main directions:

the first, the location and development of production including industrial enterprises, effective cooperation as well as the formation of a system of clusters;

the second, effective cooperation in the social sphere, use of labor resources, development of trade, education, health, tourism and recreation, science and innovation, training of highly qualified personnel;

¹ O'zbekiston Respublikasi Prezidenti Shavkat Mirziyoevni Oliy Majlisga murojaati. Toshkent, 24 yanvar' 2020 yil.

the third, the formation of an advantageous business and investment environment, the implementation of investment programs and projects;

the fourth, the formation of a market economy, the development of market infrastructure, ensuring the effective functioning of the banking and financial systems;

the fifth, environmental protection, implementation of environmental programs, rational use of nature, land and water resources.

Uzbekistan needs to fundamentally change inter-regional socio-economic cooperation to make effective use of its potentials, consider it as a new factor in ensuring economic growth and one of the important priorities to the reforms is being implemented in our country. The most difficult task here is to form the organizational and economic mechanisms for the organization of interregional cooperation. In this case, it is important to assess the level and potentials of regional cooperation to scientifically substantiate strategies and methods for development.

The importance for developing inter-regional socio-economic cooperation has been noted by almost all foreign and domestic scientists, and the development of its scientific and methodological basis is becoming very significant for Uzbekistan.

Expects results of proper organization of interregional economic cooperation:

- more sustainable development of the consumer market;
- to provide manufacturers with raw materials and components;
- to expand the domestic markets based on demands;
- meeting the needs of the population in various goods and services,
- raising the level of competitiveness of enterprises,
- reduction of transportation costs and prices for products (services),
- effective use of existing natural and economic potentials,
- interregional production,
- removes barriers to the free movement of investment and labor resources.

During the years of independence in Uzbekistan almost there was not conducted any researches on deeply studying regional policy and interregional economic relations.

In particular, the organization and development of interregional socio-economic cooperation based on the relative advantages of the regions, coordination of these processes, bringing relations between the region and the industry to a new level, the use of new innovative forms of cooperation (cost and development model) has both scientific and practical significance.

The activation of interregional socio-economic cooperation should consist of several interrelated stages.

I stage – formation of the necessary information base.

II stage – carrying out scientific analysis.

III stage – define clear goal and task parameters.

IV stage – implementing the established strategy and tactics.

In the first stage, the main focus is on creating the necessary information base. Official data, monographic studies and the results of diagnostic assessments provided by experts can be used. Demands and proposals for export of products (services) produced in the region to other regions and abroad are prepared by studying the situations in the markets of goods (services) in territories.

In the second stage, the current socio-economic situation in each region on the basis of information collected and processed at the scientific-analytical stage, formation of the market products (services), competitive advantages, degree of specialization, production, the impact of social market infrastructure on interregional cooperation, existing problems and the imbalances will be scientifically analysed.

In the third stage, purpose and objectives of interregional socio-economic cooperation, clear future parameters will be determined, system of measures will be developed.

In the last stage, the developed roadmap is normative – legal aspects, specific proposals on institutional and organizational, economic and financial mechanisms should also be prepared.

It should be noted that goals and objectives of each region, from the

parameters of sustainable development, the advantages of the existing natural and economic potentials the cooperation with all regions of the country, formation can be based on an effective market economy.

However, the neighborhood which is an important factor in the organization of interregional cooperation, unique natural - climatic conditions, availability of integrated infrastructure facilities, mutual trade with nearby areas subject to the efficiency of using common land and water resources, it is expedient to ensure additional economic growth through the implementation of joint investment projects, full satisfaction of the needs and requirements of the population.

In order to achieve intensive interregional (including cross-border) cooperation in Uzbekistan, it would be advisable to strengthening integration processes:

- to develop a general simplified procedure for the implementation of border trade and entrepreneurial activities;

- to prepare bilateral and multilateral intergovernmental agreements between countries on the principles of cooperation in border regions, providing for measures to simplify procedures for the clearance of customs, border, immigration, veterinary and other types of control for citizens of border territories;

- develop and approve harmonized laws on border areas, taking into account the many years of experience of European countries;

- to create in Executive Committee a coordinating body for interregional and cross-border cooperation;

- to develop a general concept of cooperation between regions, highlighting cross-border cooperation.

Conclusion and recommendations

Based on the mentioned above, regional cooperation should serve as an integral part of ongoing regional policy to prove its scientific and practical basis and to develop mechanisms for implementation remains important.

Regarding the foreign experiences, it is advisable to take into account the following development of interregional socio-economic cooperation:

- development of normative and legal bases of interregional cooperation (memorandum, agreement, coordinating council, agreement, etc.);
- establishment of joint ventures, financial and industrial groups, implementation of joint investment projects in order to develop trade and economic cooperation;
- formation of interregional innovation clusters based on natural and economic potentials and specialization;
- creation of an integrated interchangeable information base for the organization of interregional cooperation;
- formation of direct relations with economic entities and development of cooperative relations;
- supporting additional joint small and medium business projects;
- taking into account the needs and requirements of the entire population in the organization of social spheres and services;
- cooperation with young people, including the implementation of joint projects;
- regulation of migration processes by mutual consent, the formation of a common regional labor market;
- development and implementation of measures for the development of transport and engineering infrastructure that unites all regions;
- organization of cooperation on ecology, climate, efficient use of water and land resources;
- development of medium and long-term strategy for the development of interregional socio-economic cooperation, etc.

For improved and swift economic growth in our country, additionally would be upright to announce some Uzbek elite business members` names` publicly as it has positive affect to business environment. We do not have officially distinguished yet the names of the elite business people in our society.

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