

PROBLEMS OF INTERNATIONAL TRADE POLICY AND PROTECTIONISM

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Abstract

This scientific article comprehensively analyzes the theoretical foundations of protectionism within the framework of international trade policy and its role in the modern global economy. The study studies the impact of tariff and non-tariff restrictions on economic efficiency, market balance, and the competitive environment based on a systematic approach. Also, the experience of developed and developing countries is comparatively analyzed, and the short and long-term consequences of protectionism are scientifically explained. The results of the study show that protectionism can ensure economic stability in the short term, but in the long term it reduces the efficiency of resource allocation and limits economic growth.

Keywords

international trade policy, protectionism, tariffs, non-tariff barriers, economic efficiency, global trading system, competitive environment, economic integration, trade conflicts

Main text

In the conditions of the increasingly complex modern world economic system, international trade is emerging as one of the main drivers of economic development. The deepening of economic relations between states, the formation of global production chains and technological progress have further increased the importance of international trade. At the same time, protectionist tendencies are also increasing in parallel with globalization processes. This situation is explained by the desire of states to protect their national interests, and as a result, the issue of balance arises in the international trade system.

International trade policy consists of a set of strategic measures aimed at regulating the foreign economic activity of the state, through which it is aimed to stimulate exports, regulate imports and ensure the stability of the domestic market. This policy is implemented through two main approaches - free trade and protectionism. In free trade, factors of production are allocated efficiently, countries specialize based on their comparative advantages, and overall economic prosperity increases. However, this process creates strong competition for domestic producers and can lead to the decline of some industries.

Protectionism is a political and economic mechanism used by the state to protect the domestic market from foreign competition. It is implemented through customs tariffs, import quotas, subsidies, and various non-tariff restrictions. Tariffs increase the price of imported products and create a comparative advantage for domestic producers. Quotas protect the domestic market by directly limiting the volume of imports. Subsidies reduce the costs of domestic producers and increase their competitiveness. Non-tariff restrictions, including technical standards, environmental requirements, and certification systems, are widely used as a form of hidden protectionism.

A deeper analysis of the economic impact of protectionism shows that its results are directly dependent on the time factor. In the short term, protectionist measures can have a certain positive effect on the national economy. In particular, domestic production increases, employment increases, and some strategic sectors develop. Protectionism serves as an important tool, especially in protecting emerging industries. However, in the long term, the negative aspects of protectionism begin to prevail. First of all, the restriction of competition reduces production efficiency. Due to the lack of external pressure, enterprises do not pay enough

attention to innovative development. As a result, technological backwardness occurs and economic growth slows down. At the same time, resources are directed not to productive sectors, but to artificially supported sectors, which reduces overall economic efficiency. Protectionism also leads to a disruption of the price mechanism. Restrictions on imports reduce supply in the domestic market and cause prices to rise. This creates additional costs for consumers and negatively affects their well-being. At the same time, protectionist measures provoke a response from other countries, which can lead to trade wars. As a result, international trade volume will decrease and global economic stability will be undermined.

Modern economic processes also show that new forms of protectionism are emerging. Developed countries often prefer hidden protectionist measures to overt tariff policies. Through technical standards, environmental requirements and quality certificates, they restrict imports and protect their domestic markets:

Indicator	Short results term	Long term results	Scientific explanation
Production volume	Growth is observed	Downward trend	Lack of competition reduces efficiency
Employment rate	Increases over time	Not stable	Artificial support
Price level	It grows	Stays high	Market mechanisms are broken
Competitive environment	It is restricted	It drops sharply	Monopolization will increase
Innovative development	Slows down	Significantly decreases	Loss of motivation
Foreign trade balance	It gets better	It gets worse	The opposite is protectionist

The results of the above table confirm that protectionism has a complex and contradictory effect. Therefore, a balanced approach is of great importance in modern economic policy. States should protect strategic sectors, while maintaining a competitive environment and stimulating innovative development.

Conclusion: The conducted studies and analyses show that international trade policy is an integral part of the modern economic system, which occupies an important place in the economic development strategy of states. Protectionism, in turn, is one of the important instruments of this policy and plays a certain role in protecting national economic interests. However, its economic impact is multifaceted and contradictory.

The analysis shows that protectionist measures stimulate domestic production in the short term, increase employment, and create the necessary conditions for the development of certain strategic sectors. Protectionism can serve as an important tool in supporting economically weak or newly emerging industries. From this point of view, it is considered an effective instrument at certain stages of economic policy. At the same time, it has been scientifically proven that in the long term, the negative consequences of protectionism prevail. As a result of the restriction of the competitive environment, production efficiency decreases, innovative development slows down, and resource allocation is not carried out optimally. As a result, economic growth slows down, and the global competitiveness of the national economy decreases. In addition, import restrictions lead to an increase in the price level, which negatively affects consumer welfare. Another important aspect is that protectionist policies often provoke the use of countermeasures at the international level. This leads to the emergence of trade wars, a decrease in global trade volumes, and the disruption of international economic stability. In the conditions of the modern global economy, such processes have a negative impact not only on individual countries, but also



on the entire world economic system. The results of the study show that a policy of absolute free trade or strict protectionism is not an economically optimal model. The most appropriate approach is to formulate a selective and balanced trade policy. In this case, while temporarily protecting strategic sectors, states should strive to develop a competitive environment, support innovation, and ensure economic openness in the long term. Institutional factors are also important in the effective conduct of international trade policy. In particular, strengthening cooperation with international organizations, improving trade agreements, and developing global economic integration serve to reduce the negative effects of protectionism.

In general, ensuring a balance between international trade policy and protectionism is one of the most important conditions for modern economic development. By properly establishing this balance, states can protect their national economic interests and achieve sustainable growth in the global economic system.

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