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## The Role of Digital Governance Mechanisms in Competition Policy

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### ABSTRACT

The article analyzes the importance of digital governance mechanisms in implementing competition policy. It substantiates the institutional role of digitalization in limiting monopoly power, increasing market transparency, and fostering a healthy competitive environment.

**Keywords:** competition policy, digital governance, monopoly, competitive environment, digitalization, market transparency, monopoly power, institutional mechanisms, antitrust regulation, digital economy, market stability, antitrust policy.

### Introduction.

Competition policy is one of the key institutional mechanisms ensuring the effective functioning of a market economy. As markets become increasingly complex and economic interactions among business entities expand, identifying anti-competitive practices and responding to them promptly has become a progressively challenging task for traditional governance approaches. In particular, the activities of large corporations, integrated business structures, and digital platforms have intensified information asymmetries and exposed the limitations of conventional monitoring instruments in the implementation of competition policy. In this context, the need for new governance approaches in competition regulation has become increasingly evident.

The introduction of digital governance mechanisms creates qualitatively new opportunities for the implementation of competition policy. Digital technologies significantly expand the capacity to rapidly process large volumes of data, monitor market concentration and price dynamics in real time, and detect anti-competitive conduct at an early stage. This enables competition policy to evolve from a purely reactive set of measures into a preventive and forecast-oriented governance system. As a result, the regulatory functions of the state become more precise, efficient, and adaptive to the dynamics of modern markets.

### Methodology

The study employs systematic and comparative analysis methods. Theoretical approaches to competition policy and digital governance mechanisms are generalized, while international practices are compared with the experience of Uzbekistan. In addition, logical analysis, induction,

and deduction methods are applied to formulate scientific conclusions.

### **Analysis and Results.**

Competition is regarded in economic theory as the main driving force of the market mechanism and manifests itself through the rivalry of economic entities for limited resources and market share. A representative of the classical school of economics, A.Marshall, interprets competition as a process that balances supply and demand through the price mechanism, emphasizing that its primary function is to allocate resources toward the most efficient producers. According to this approach, competition under conditions of economic freedom ensures market discipline and contributes to increased production efficiency and consumer welfare.

In subsequent academic literature, the concept of competition has been interpreted in a more dynamic and institutional context. J.Schumpeter views competition not as a static condition but as a process of “creative destruction” driven by innovation. At the same time, M. Porter does not limit competition to direct rivalry among firms but analyzes it through a system of forces within an industry. These approaches reveal that competition influences not only price levels but also technological progress, innovative activity, and long-term economic growth.

As the opposite economic condition to competition, the concept of monopoly also occupies a significant place in economic theory. J.Robinson defines monopoly as a limited form of competition in which a producer has the ability to independently determine prices and output levels regardless of market demand. P. Samuelson and W. Nordhaus explain monopoly as the dominant position of a single seller in a market where no close substitutes exist. According to these definitions, the presence of monopoly reduces market efficiency, leads to resource misallocation, and decreases consumer welfare, thereby necessitating state regulation.

In recent years, approaches to the concepts of competition and monopoly have been significantly updated under the influence of the development of the digital economy and platform markets. In particular, the OECD interprets competition as a dynamic process that enables market participants to realize their innovative potential and improve efficiency, while monopoly is explained not only by the existence of a single seller but also by market power arising from data advantages and network effects. M. Motta characterizes competition as an institutional mechanism that ensures market discipline, while monopoly is considered a source of economic inefficiencies resulting from the abuse of a dominant position. In addition, J.Crémer, Y.-A. de Montjoye, and H.Schweitzer argue that traditional definitions of monopoly are insufficient in the context of digital platforms and emphasize the need to consider data ownership and algorithmic control when assessing market power. These modern approaches demonstrate that competition and monopoly are not static phenomena but dynamic processes closely linked to institutional and technological factors.

Today, the practical implementation of competition policy faces new challenges amid increasing market complexity and growing economic concentration. In many countries, persistently high levels of market concentration in certain sectors, the expanding share of large economic entities, and the proliferation of platform-based business models limit the effectiveness of traditional regulatory instruments. As anti-competitive practices increasingly take complex and hidden forms, the time required to detect them lengthens, and regulatory costs rise. Under these conditions, reliance on digital governance mechanisms in the implementation of competition policy emerges as an объектив necessity.

International practice demonstrates that the use of digital technologies significantly enhances the effectiveness of competition policy. The ability to analyze large volumes of data, monitor price and market share dynamics in real time, and identify cartel risks through algorithmic analysis expands with digitalization. As a result, the detection of anti-competitive conduct becomes faster, investigation periods are shortened, and regulatory costs are optimized. Such an approach transforms competition policy from a set of reactive measures into a preventive and forecast-oriented governance system.

In the context of Uzbekistan, certain practical measures are also being implemented to modernize competition policy and introduce digital instruments. Systematic monitoring of monopolistic and dominant entities, centralization of data on market participants, and the gradual development of electronic tools for analyzing competition law violations are underway. At the same time, the high level of state participation in the economy and the persistence of concentration in certain sectors necessitate more advanced and in-depth digital approaches to competition regulation. This highlights the need to view digitalization not as a secondary element but as a central institutional component of competition policy.

The results of the practical analysis confirm that the necessity of digitalization in competition policy is directly linked to economic efficiency and market stability. The widespread adoption of digital governance mechanisms increases market transparency, expands opportunities for early detection and prevention of competition risks, and reduces the administrative burden of state control. Moreover, digitalization strengthens the self-regulatory capacity of economic entities. Ultimately, this creates a sustainable practical foundation for fostering a healthy competitive environment, limiting monopoly power, and enhancing the competitiveness of the national economy.

### **Conclusion and Recommendations.**

This study has substantiated the role and significance of digital governance mechanisms in the implementation of competition policy from both theoretical and practical perspectives. The results of the analysis indicate that under conditions of increasing market complexity, rising economic concentration, and the expanding activities of digital platforms, the effectiveness of traditional competition regulation instruments is becoming limited. From this perspective, the introduction of real-time monitoring, analytical, and forecasting capabilities based on digital technologies has been identified as a key factor in transforming competition policy from a reactive approach into a preventive and systematic governance model. As a result, digitalization emerges as an important institutional factor in fostering a healthy competitive environment and limiting monopolistic influence.

In order to enhance the effectiveness of competition policy, it is advisable to introduce digital governance mechanisms in a gradual and systematic manner. In particular, collecting and analyzing market data through centralized digital platforms, implementing algorithmic monitoring tools aimed at the early detection of competition risks, and strengthening the analytical capacity of competition authorities are of critical importance. At the same time, aligning digitalization with legal and institutional reforms, increasing transparency and openness, and promoting a culture of competition among economic entities constitute essential measures for the sustainable development of a healthy competitive environment..

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