

Modern Economy

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Annotation: This article provides information about the role of modern economic theory in the course of human life today, its development, i.e., its role in the life of society.

Key words: Modern economic views, economy, economic relations, economic activity, household, production

Introduction:

Modern Economy and its main issue Economy is a complex and multifaceted concept, which is firstly an economic system, secondly a unity of economic relations, and thirdly, it is embodied knowledge at the level of science. In ancient times, the main form of economic activity took place within the household. Therefore, the term economy means the household and the rules of its management. Economy is a regulated system of economic relations, forms of economic management, their regulatory mechanisms and infrastructural institutions that arise in the process of reproduction of economic goods and means. Within the framework of the economy, the process of reproduction of economic resources, i.e., goods and tools necessary for society, takes place. Repetition is the continuous repetition of the process and starting anew. Reproduction is divided into shrinking, simple and extended types.

In the case of decreasing production, the volume of production is repeated in the order of decreasing, in its simple type, at the same rate, and in the unchanged and extended type, this process is repeated in the order of increasing. Reproduction in the movement of goods, services and resources is a unity of production, exchange, distribution and consumption processes. Goods and services are created in the production process. If it is not produced, there is nothing to share, exchange, and finally consume. In the process of distribution, means of production, labor force, goods and services, and monetary income are distributed and redistributed among industries, sectors, regions, enterprises, and individual members of society. Exchange is the link between producers and consumers of created goods and wealth. In the process of consumption, goods and services find their final consumers and serve to satisfy various needs. Consumption is divided into two types: productive and personal consumption. Means of production and labor are used in the production process and efficiently consumed. Consumer goods are used in the process of personal consumption, and thus there is a need to produce new ones instead of them. Infrastructure is a necessary component of the economy and the main condition for its operation. Infrastructure is the spheres that make up the general conditions for normal production and exchange and people's livelihood. The infrastructure consists of the following types: Production infrastructure - directly serves the production process. These are means of storage and transmission, warehousing, supply of material equipment, transport, communication, roads and others.

Social infrastructure is the socio-cultural and household conditions of people's living and living (education, healthcare, household, housing and communal economy). Market infrastructure-goods and economic resources serve the exchange process (exchanges, trading houses, auctions, etc.). The permanent and main problem of the economy is the unlimited needs of society and the limited economic resources necessary to satisfy them. The main problem of economics has two sides: needs are unlimited and economic resources are limited. The main problem of the economy is how to fully satisfy the unlimited needs of society in the conditions of limited economic resources.

Ways to solve the main problem of the economy: - increasing the amount of economic resources; - increase productivity of resources; - to choose the most effective alternative options for the use of resources; - limiting the needs of society.

In order to live, engage in politics, art, literature, science, enlightenment, people need to eat, wear, and enjoy various services. In order to have such means of life, people work in various fields. Among these various human activities, the most important is the economic activity, which consists of the production of economic benefits (and the provision of services) that ensure their survival and development. Various interrelated

activities aimed at the production and delivery of vital goods and tools necessary for people's living and development are called economic activities.

In the process of formation of economic science, several ideological currents and schools have emerged. They tried to find answers to the questions of what is the source of society's wealth, where and how it increases. The first of such economic trends was called "mercantilism" (mercante - merchant in Italian). Supporters of this movement explain that the wealth of people and society (money, gold) appears and increases in trade, mainly in foreign trade, and only the labor engaged in trade is productive labor, and others are unproductive. Early mercantilism (end of the XIV century, middle of the XVI century) was called a monetary system, and its main condition was the retention of money (gold, silver) in the country. Later mercantilism (XVII-early XVIII centuries) realized that the prohibition of money withdrawal would be an obstacle to the development of foreign trade and economic development in general. Thomas Mann (1571-1641) is considered to be the main representative of later mercantilism in England, he founded the domestic and foreign policy of the state. The concept of mercantilism is mainly based on the economic policy of protectionism, that is, they focus on the issues of the need for the state to participate in the management of the economy, to ensure that exports exceed imports and increase wealth. "Physiocrats", unlike mercantilists, promoted the idea that wealth is created and increased in agriculture. "Physiocracy" is derived from the Greek word, which means "the rule of nature". This school first appeared in the middle of the 18th century and then spread widely in Italy, England and Germany. Francois Queset (1694-1774), the founder of the idea of the physiocrats in France, puts forward the view that agriculture is the only branch of production in which additional "net product" is created naturally and increases the wealth of the people. Physiocrats believe that economic laws are as natural as the laws of nature, they cannot be invented, but it is necessary to know them and obey them. F. Kene was the first to create a model of social reproduction - the famous "economic table". F. Kene shows that as a result of the production of food products for all classes, raw materials for industry, and seeds for the next year's harvest in the national economy, the flow of goods and money between classes is moving. They give the obtained net income to the land owner in the form of rent. The ideas of William Petty (1623-1686) became a bridge for the transition from mercantilism to classical science and political economy. He was the first to declare that the source of wealth is labor and land. The popular view that "work is the father of wealth, the land is its mother" belongs to U. Petty. A. Smith, D. Ricardo, representatives of the classic school of economics in England in the XVII-XVIII centuries, proved that wealth is created not only in agriculture, but in all material production sectors, and they believe that the general form of wealth is the value embodied in goods and money. .

A. Smith (1723-1790) believes that the subject of economic science is the study of the economic development of society and the improvement of the well-being of the population. In his work entitled "An inquiry into the nature and causes of the wealth of nations" (1776), he summarized the hundred-year period of the development of the classical school and based his views on commodity production and exchange as a separate sphere, which developed on the basis of objective laws and indicates that it does not need government regulation. A. Smith believes that what is created in material production is the wealth of society. He claims that the conditions for the growth of wealth are the division of labor and its increase in productivity. According to A. Smith, the source of value is labor, as a result of the development of society, along with labor, capital and land also become a source of value, so the price of goods is determined by wages, profit and rent.

He comes to the conclusion that with the increase of social wealth, the income of all classes of society increases, and money acts as a measure of value. According to A. Smith, market laws have an effective effect on the economy when personal interest prevails over social interest. Thus, people produce goods for each other for their own benefit, and the market forces them to take into account their mutual interests, that is, people inadvertently work for society.

Conclusion: International economic integration is the process of international integration of the economy of countries and states into a single common market, in which the gradual abolition of tariff and non-tariff restrictions leads to the unification of economic policy in economic sectors and has a number of features. clear consequences.

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