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ANALYSIS OF THEORETICAL AND CONCEPTUAL FUNDAMENTALS OF ECONOMIC GROWTH

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Annotation
The article compares the theoretical foundations of economic growth, defines the directions of sustainable economic growth, describes the manifestations of economic growth.

Keywords: economic growth, production, factors of production, economic efficiency, macroeconomic equilibrium, guaranteed economic growth.

Аннотация:
Мақолада иқтисодий ўсишнинг назарий асослари қиёсий таққосланган, барқарор иқтисодий ўсишга эришиш йўналишлари аниқланган, иқтисодий ўсишнинг намоён бўлиш шакллари ёритиб берилган.

Калит сўзлар: иқтисодий ўсиш, ишлаб чиқариш, ишлаб чиқариш омиллари, иқтисодий самарадорлик, макроиқтисодий мувозанат, кафолатланган иқтисодий ўсиш.

Аннотация:
В статье сравниваются теоретические основы экономического роста, определяются направления устойчивого экономического роста, описываются проявления экономического роста.

Ключевые слова: экономический рост, производство, факторы производства, экономическая эффективность, макроэкономическое равновесие, гарантированный экономический рост.

The issue of economic growth is gaining importance in the world economy. The first theoretical views on economic growth in the economic literature were formed from the earliest days of capital accumulation. This period is characterized by the development of manufacturing, science and technology, the emergence and development of central cities specializing in trade and industry. Representative of the Classical School of Economics A. Smith introduces the term "initial

accumulation of capital" in the economic literature, analyzing the socio-economic situation during this period..

Later, A. The research by Smith was conducted by the French economist F. Improved in Kene's scientific research, the scientist is believed to have developed the first theoretical views on economic growth in his work entitled The Economic Table. F. According to the results of scientific research conducted by ticks, the need for industrial processing of agricultural products, including agricultural products that exceed the consumption of the population, is scientifically justified.

Scientific theories of economic growth in the economic literature K. Marx is also reflected in his scientific research. In his scientific age, called "Capital" (Volume II of the work), the scientist divides the process of economic production into two parts: first, the production of means of production, and second, the production of consumer goods. K. The peculiarity of Marx's scientific research is that he analyzed the flow in the form of natural and value between the means of production and the volumes of production of consumer goods, and explained the conditions for ensuring their interrelationship.

J.S. According to Mill, economic growth is characterized by an increase in wealth as a result of increasing existing production factors and the efficiency of their use.

P. According to scientific studies conducted by Samuelson, economic growth is a hallmark of a modern market economy. According to him, “the population of the country, gross domestic product, real gross national product, the ratio between the average family welfare in the reporting period and the average family welfare in the previous period, the reduction of working time, working hours, as well as incomes A number of factors, such as the simplification and growth of the ways of formation, are important conditions for economic growth..

In the analysis of the stages of development of scientific views on economic growth in the economic literature, the study of scientific theories of neo-Keynesian, neoclassical and institutional scientific school of economics plays an important role.

By the middle of the twentieth century, a scientific-economic school of neo-Keynesianism was formed, based on Keynesian scientific theories aimed at ensuring "macroeconomic equilibrium". Representatives of this scientific school R. Harrod's research is believed to have developed dynamic models of economic growth. In his model, the scientist examines the correlation between the number of workers, per capita income and the amount of capital. R. Harrod introduces the concept of “capital ratio (or capital ratio)” into the economic literature, which reflects the capital capacity of national income. The economist determines the

criteria of capital capacity by analyzing the impact of technological progress on the economy and introduces the following equation into science:

$$G * C = S$$

Here:

G - an indicator of the growth of total output in the reporting period compared to the previous period;

C - is the capital ratio, ie the increase in the residual value of tangible goods at the end of the reporting period compared to the beginning of the reporting period;

S - is the increase in the share of savings in national income.

R. Harrod introduces the concepts of guaranteed and natural economic growth into the economic literature. Guaranteed economic growth is the achievement of the expected level of economic growth under conditions of full utilization of production potential. The scientist points out that in the process of production, labor and capital are not interchangeable, and that the price of labor (wages) and the price of capital (interest) are fixed. Natural economic growth is explained by an increase in gross output under full employment. This type of economic growth is characterized by an increase in labor supply and labor productivity.

Another representative of the neo-Keynesian scientific school is the American economist E. Domar develops the "Balanced Growth Management" model. Improving the scientific views of the scientist J.M. Keynes on the fact that investment is a factor that increases the income of the population and stimulates demand, proves that investment is a stimulus to increase the volume of supply, along with the above two indicators. The peculiarity of the E. Domar model is that it is proved that by correctly determining the optimal level of investment, it is possible to increase the income of the population in the economy and, as a result, increase the supply of goods and services. In this case, the determination of the level of employment is based on the ratio between production capacity and income. R. Harrod et al. Domar's economic growth models are mutually similar in that they can ensure sustainable economic growth through the impact of investment on the multiplier as a stimulus to economic growth. The difference of this model from Keynesian theory is characterized by the study of the long-term impact of aggregate demand and income, gross savings, investments on the production process. The research conducted shows the shortcomings in the self-regulation of the market economy.

Later, another American economist, R. Solow's in-depth study of the Harrod-Domar model of economic growth suggests that this model does not take into account the impact of scientific and technological processes on economic growth,

so in modern economic relations there may be some errors in assessing economic growth based on this model. The economic growth model proposed by the scientist is based on a neoclassical interpretation of the absolute competitive advantage over the factors of production markets that provide full employment of labor resources. Encouraging technical progress The R.Solou model presents technical progress as the only basis that can sustainably increase prosperity and find the optimal option for growth. However, he sees technical progress as an external (Exogenous) factor, which does not explain it. According to some scientists, the determinants of technical progress are not clear enough today. However, public policy can stimulate technical progress through the use of a variety of tools, including research and development. For example, by improving patent legislation, some developed countries (USA, Japan, Germany) have long monopolized the right to produce a new product. Tax laws provide a number of benefits to research organizations in many countries. Specially established national scientific foundations provide subsidies for fundamental scientific research. Nowadays, the transfer of funds to human capital is also one of the important issues, it plays a key role in technical development.

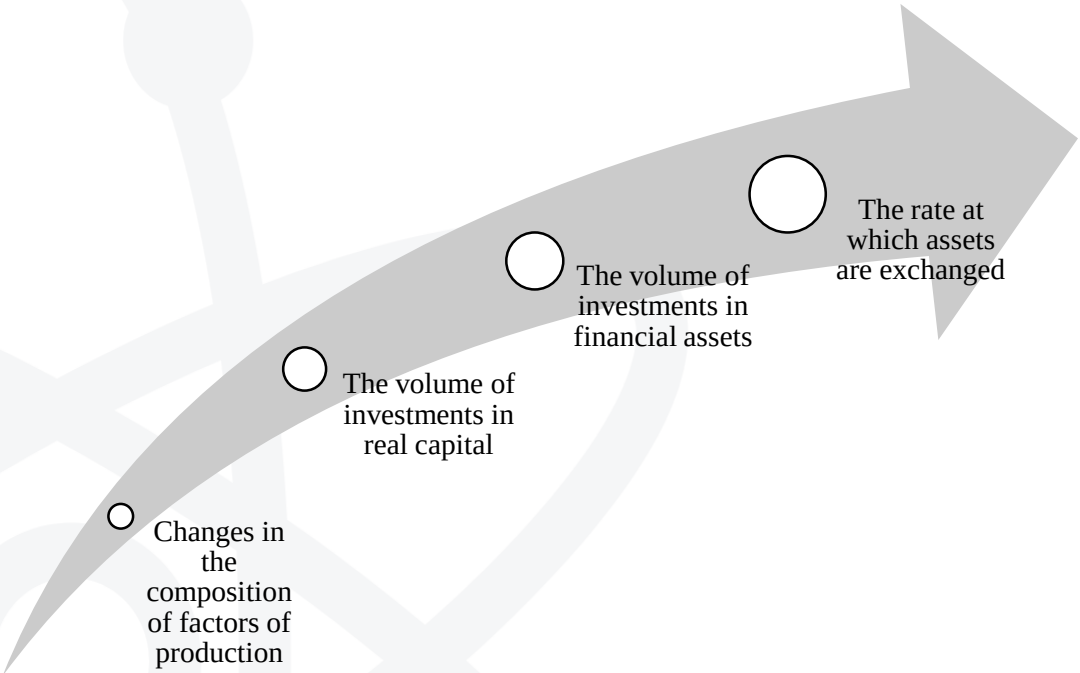

Figure 1. Factors affecting sustainable economic growth

Today, the achievement of sustainable economic growth in the world, the study of its theoretical, practical and methodological aspects is one of the most pressing scientific issues. in particular, according to economist J. Tobin, the government's monetary and fiscal policies should be seen as an offer of certain types of assets to the private sector. The attitude of the private sector to this proposal should be seen

as a change in the composition of demand for assets, depending on their profitability. J. Tobin connects sustainable economic growth with factors such as changes in the composition of factors of production, the volume of investments in real capital, the volume of investments in financial assets, the rate of asset exchange (see Figure 1).

The acquisition of alternative assets allowed J. Tobin to reveal the essence of the mechanism of formation of demand for real capital. The growth of the economy in the short and long term is directly dependent on the demand for real capital. As a result of J. Tobin's scientific research, he came to the conclusion that both the lack and the surplus of money supply have a negative impact on economic growth.

This conclusion of J. Tobin has practical significance. The results of research conducted by many economists have shown that there is a direct correlation between macroeconomic growth rates and the level of monetization coefficient. That is, in countries with a monetization rate of less than 30 percent, inflation is high and the real interest rate is negative.

The scientific research of U. Soto, a representative of the Austrian school, also explores some aspects of ensuring the sustainability of economic growth on a scientific basis.

According to Huerta de Soto, credit issuance has a positive impact on the economy only if investment loans of commercial banks are issued on the basis of voluntary funds of customers. The growing part of voluntary funds is invested in production through credit. These loans are backed by real voluntary funds, leading to an increase in the demand for means of production and capital goods.

In our opinion, this scientific conclusion is of great practical importance for the banking practice of Uzbekistan. This is due to the fact that the deposit base of commercial banks of the country is insufficient due to the problems in attracting voluntary funds of the population and businesses to banking institutions.

According to G. Kolodko, a professor at the University of Warsaw, the neoliberal Anglo-American model aimed at minimizing state intervention in the economy is the source of the global economic crisis. Therefore, the improvement of mechanisms for regulating the economy by the state through fiscal policy and monetary policy is of great practical importance in terms of sustainable economic development.

In our opinion, G. Kolodko is right. This is because the global financial and economic crisis, which began in 2008, has shown that state intervention in the economy is minimal in developed countries, the mechanism of financial market regulation is ineffective and, most importantly, there is no mechanism to control

the international derivatives market. Even the most powerful financial institutions have not been able to solve the problem of solvency and liquidity on their own. As a result, direct state intervention in the economy became necessary.

Figure 2. Government support for economic growth

According to the well-known economist G. Menkyu, it is necessary for the state to influence the rate of economic growth. This includes encouraging savings and investment through the implementation of state socio-economic reform programs, attracting foreign investment, developing the education and health systems, ensuring property rights and political stability, ensuring freedom of trade, supporting research and the introduction of new technologies. , will be able to influence the economic development of the country through tools such as controlling population growth (see Figure 2).

G. Menkyu believes that the optimal ratio between savings and consumption should be formed, and the involvement of new technologies in the production process is a necessary condition for increasing the share of innovative products. This conclusion of his is of great practical importance. In particular, in the XXI century, the main factor in ensuring the international competitiveness of goods in the international economy is the share of innovative products in the total volume of goods produced. In turn, the transition of the country's economy to the path of innovative development depends on the level of investment in human capital.

G. Menkyu considers investments in human capital as a key factor for sustainable economic growth.

According to O. Blanchard, a well-known economist and professor at the Massachusetts Institute of Technology, the interest rate policy of the Central Bank and the government's fiscal policy play an important role in economic development. While the central bank's interest rate policy will prevent the economy from overheating, the reduction of the budget deficit through the government's fiscal policy will play an important role in ensuring the stability of economic growth.

Although O. Blanchard based his conclusions on the example of the United States, in a number of other countries of the world these conclusions have found their practical confirmation. For example, the Central Bank of China raised its reserve requirements for commercial bank deposits by 21.5 percent in 2011 due to the risk of overheating the economy in China.

The deepening problem of the state budget deficit in the EU countries has had a negative impact on macroeconomic growth rates.

According to the norm adopted in international practice, the level of the state budget deficit relative to GDP should not exceed 3.0%. If this figure exceeds 3.0 percent, then the budget deficit will have a negative impact on economic growth.

Well-known economist F. Mishkin's research focuses on the analysis of the impact of the financial sector on the development of the real sector. In particular, he concluded that monetary policy has a direct and strong impact on the development of the real sector. This effect is most evident in the effect of money supply on economic activity.

In our opinion, this conclusion of F. Mishkin is of scientific and practical significance, especially after the global financial and economic crisis of 2008, when monetary policy was considered as a key factor in the recovery of the economy from recession in developed countries.

During the global financial and economic crisis, the goal of ensuring the stability of macroeconomic growth became more important than the fight against inflation and ensuring the stability of the national currency, which are the strategic goals of monetary policy. We say this because in many countries of the world, during the global financial and economic crisis, an expansionary monetary policy has been pursued to bring the economy out of recession and ensure the stability of economic growth.

The Bank of Japan first used the “quantitative easing” instrument in 2001 to pull the economy out of deflation.

Quantitative easing is a financial instrument aimed at increasing the money supply and based on a zero discount rate. Even during the global financial and economic crisis, Japan continued to use the instrument of "quantitative easing". In November

2009, the Japanese government acknowledged that the economy was still in a state of deflation. Therefore, the Central Bank of Japan decided to keep the discount rate unchanged at 0.1%.

The global financial crisis, which began in 2008, plunged the U.S. economy into recession. As a result, the FZT was forced to reduce the discount rate and use the "quantitative easing" instrument. In September 2010, the Federal Reserve (FZT) decided to keep the annual interest rate unchanged at 0.25%. According to Bernanke, the inability of the US economy to fully recover from the recession made it necessary to keep the FZT's exchange rate unchanged.

The US Federal Reserve is actively using monetary policy instruments to influence macroeconomic growth. For example, the emergence of signs of recession in the US economy in 2001 forced the FZT to adopt a “cheap money” policy, resulting in an expansionary monetary policy that encouraged the growth of the money supply in 2001-2004. As a result of this policy, the fixed rate on U.S. government funds fell from 6.5 percent in 2001 to 1.75 percent in December 2004.

It should be noted that the issue of ensuring sustainable economic growth is also reflected in the research of Russian economists.

According to A. Aganbegyan, an academician of the Russian Academy of Sciences, the halving of lending rates in the real sector in 2010-2011 was an important reason for the slowdown in economic growth in Russia.

According to Aganbegyan, the deficit of the Russian federal budget has also had a negative impact on economic growth.

Aganbegyan's conclusions are reliable because they are based on the analysis of a large amount of statistical and practical data.

The main role in the scientific work of S. Moiseev is to promote the development of the real sector of the economy through the improvement of monetary policy. According to him, monetary policy has the following four strategic goals:

- price stability;
- stability of the national currency;
- ensuring financial stability in the country;
- balanced economic growth.

It is clear that the strategic goals of monetary policy are aimed at promoting economic development.

Schumpeter points to the introduction of innovation into the production process as a key factor in ensuring sustainable economic growth. According to him, innovative processes are associated with entrepreneurial activity in the field of production, and the main goal is to maximize the amount of profit. In turn, the increase in the

amount of profit allows the entrepreneur to continuously introduce new innovative ideas into production.

In short:

- J. Tobin's scientific conclusion that both the lack and excess of money supply have a negative impact on economic growth is of great practical importance today;
- The practical significance of Hertha de Soto's conclusion that investment loans of commercial banks have a positive impact on the economy only if they are issued on the basis of voluntary funds of customers is explained by the problems in attracting voluntary funds of the population and businesses to banking institutions.
- The global financial and economic crisis, which began in 2008, clearly showed that the professor of the University of Warsaw G. Kolodko did not justify the neoliberal Anglo-American model aimed at minimizing state intervention in the economy.
- The practical significance of G. Menkyu's conclusion on the formation of an optimal ratio between savings and consumption is a key factor in ensuring the international competitiveness of economies today, determined by the share of innovative products in total production..

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