

BASIC PRINCIPLES AND BRANCHES OF ECONOMY

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Annotation: This article discusses the concept of economy and its branches. At the same time, the main principles of economy were discussed.

Key words: economic theory , subject , sources of wealth , social economy.

The science of economic theory should not allow a one-sided approach to the issue, but should cover the scope of the subjects of economic sciences of both directions and study them in their entirety.

For example, Aristotle considered this science to be the science of household management laws, while mercantilists, physiocrats, and representatives of the English classical economic school consider it to be the science of wealth. He considers the subject of science to be the study of the sources of wealth, ways of increasing it, and the process of production, distribution, exchange, and consumption of society's goods.

Later, this science is also considered as the science of national economy and social economy. Some say that the science of the foundations of economics is the science of the laws governing the production and exchange of material means of life. And A. Marshall writes that the subject of the science of economic theory is to study the normal life activity of humanity and society.

During the period when the science of economic theory was called political economy, a number of textbooks indicated that its subject was the study of relations between people during the production of material goods.

In the "Economics" textbooks of the USA and Western countries, it is emphasized that the subject of the science is to analyze the problems of effective use of limited resources in order to fully satisfy the material needs of people, to study the economic behavior of people. In various textbooks published in the Commonwealth of Nations and in particular in the Russian Federation, similar definitions of the subject of this science are given. Economic activity begins with production. Two factors are involved in any production - personal-human and material-material factors. The personal-human factor is the labor force and its activity, consisting of the ability to work. The personal-human factor is the working population, its physical and mental abilities, knowledge and level, qualifications and skills. This population in Uzbekistan in 2002 was 12 million people. Since this factor is a human ability, it is manifested together with the human personality, not separated from it, and embodied in the human

personality. A material factor is all the simple forms of means necessary for production. Entrepreneurial ability, unlike ordinary labor, performs a special function of management in production. He is a businessman by nature, which means the embodiment of a special talent, high knowledge, special training and responsibility. Entrepreneurial ability is not connected with material factors, but the effective combination of work force with these factors ensures good results from economic activity.

One of them states that the subject of the science is "Studies the structural evolution of the rational economic management system, the real wealth and the well-being of certain members and groups of society, the factors and laws of economic growth" studies the behavior of people and groups in the processes of production, exchange, distribution and consumption of goods". If special priority is given to the study of relations between people during the production process, the books in the field of "Economics" mainly focus on the study of people's attitude to resources, material objects, economic behavior, productive use of limited economic resources. special attention is paid to the issues of use. The modern concept of "economics" did not become popular until the Great American Depression of the 1930s. After two world wars and the devastating Great Depression, policymakers looked for new ways to manage the economy. This was studied and discussed by Friedrich August von Hayek (1899-1992) and Milton Friedman (1912-2006), who called for global free trade and were to become the fathers of what is called neoliberalism. However, the views of John Maynard Keynes (1883-1946), who called for stronger state control of markets, prevailed. The theory that the government can alleviate economic problems and stimulate economic growth through government manipulation of aggregate demand is called Keynesianism in his honor.[13] Economic growth in America and Europe in the late 1950s (often called the Wirtschaftswunder (Ger.: economic miracle)) gave rise to a new form of economy: the mass consumer economy. In 1958, John Kenneth Galbraith (1908-2006) was the first to talk about an affluent society in his book "Affluent Society". In many countries, the economic system is called a social market economy. Each person faces various economic problems every day: how to meet the needs of food, housing, clothing, education, recreation, etc., what kind of economic activity to engage in, one or the other whether or not to buy something, whether there is enough income to buy a certain product or provide a necessary service, etc. Thus, the economy becomes an integral part of modern society. To create a strong and prosperous country that can take its rightful place in the modern world, it is necessary to develop a competitive and socially oriented market economy based on science and innovation. We are living in the era of scientific and technical progress, in the era that determines the economic growth of society with the emergence of new material and spiritual goods and their exchange. Many critics of the modern economy argue that increased economic growth leads to imbalances in the ecological balance and increased unemployment, as professional skills and experience can become obsolete with technological progress. But scientific and technical progress is not only one of the factors of increasing economic

growth, but also the main indicator of the development of the whole society. Thus, without new technologies, society will face deep stagnation, which will have very negative consequences for people. A science such as economic theory deals with the study of laws and factors of economic growth. Products and services obtained due to the combination of factors are the result of production. The product created in production is of two types: the first is a natural product, which is consumed by the producer himself. This product is not marketed for exchange. For example, a part of the grain grown on a farm is a natural product and is used on the farm itself for cattle feed or food for the farmer's family; the second is a product in the form of a commodity, which is created not for the manufacturer's own consumption, but for sale on the market. Production of products for sale in the market is called production of goods. This commodity production is the basis of the market economy.

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