

THE STATE INFLUENCE THE ECONOMY THROUGH VARIOUS MECHANISMS - ENSURE STABILITY BY SUPPORTING

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Abstract

This article analyzes the various mechanisms by which the state supports the economy, their advantages and effectiveness. Also, on the example of Uzbekistan, methods of influencing the state economy and their results are studied. Based on the results of the study, effective strategies for supporting the economy are proposed.

The main purpose of this study is to study the effectiveness of the mechanisms of state support of the economy, analyze existing approaches and recommend optimal mechanisms for the economy of Uzbekistan. Economic theories, statistical analysis, comparative analysis and empirical research methods were used in the research process. These methodological approaches make it possible to study the impact of the state on the economy, its various mechanisms and results.

In the modern economy, the role of the state is important. A fundamental principle of a market economy is free competition and supply-to-demand relations, but any economy feels the need for state intervention. Because economic systems can get out of balance under the influence of changes in market conditions, financial crises, inflation, unemployment and other factors. Therefore, the state influences the economy through various mechanisms and tries to ensure stability by supporting it [1].

Mechanisms to support the economy by the state are through fiscal policy, monetary policy, public investment, subsidies, tax relief, and other methods. With these mechanisms, the state encourages economic activity, tries to increase the standard of living of the population and promotes the development of business entities. Especially during global problems such as economic crises or pandemics, government intervention is an important tool to ensure the stability of the economy.

The state can influence the economy in different ways [2]. The extent and forms of this impact depend on the country's economic model and development strategy. For example, in countries with a liberal economic model, state intervention is minimal, with a strong emphasis on the free functioning of market mechanisms. But in developing countries, the state is actively involved in the economy, working in the

direction of its regulation and support.

One of the main means by which the state can influence the economy is fiscal policy. This policy is implemented through the state budget [3]. It can promote economic growth by increasing government spending or reducing the tax burden. Conversely, if there is a risk of Economic over-activity and inflation, the state can cut costs or cool the economy by increasing the tax burden.

Monetary policy is also an important means of regulating the economy. Central banks ensure the stability of inflation and economic growth by managing interest rates, regulating monetary mechanisms [4]. Lowering interest rates will make it easier for entrepreneurs to get loans and increase the volume of investments. Conversely, an increase in interest rates curbs inflation by limiting economic activity.

Government subsidies are one of the mechanisms that aim to support specific sectors of the economy [5]. For example, agriculture, industry, technological innovation, and small business sectors make extensive use of government subsidies. Through subsidies, the state helps to develop strategic directions of the economy and protects national producers.

State support of the economy is an integral part of the modern economy. Through state intervention, strategies are implemented that aim to promote economic stability, encourage investment and promote social welfare [6].

Keynesian, neoclassical, and institutional approaches were used as theoretical foundations of the study. According to the Keynesian approach, the State plays an important role in the economy and must regulate the economy through fiscal and monetary policies. The neoclassical approach, on the other hand, emphasizes the importance of ensuring the free functioning of market mechanisms, advancing the possibility that excessive government intervention could reduce economic efficiency. The institutional approach, on the other hand, focuses on the role of state management systems, legal and economic institutions in economic development. These theoretical approaches formed the theoretical basis of the study and were used by the state to assess the effectiveness of economic support mechanisms [7].

The study worked on the basis of two main types of data collection – primary and secondary sources. In order to conduct economic analysis as primary sources, official reports on state economic policy, investment programs and government decisions were analyzed. And secondary sources were formed on the basis of Statistics, scientific articles and other academic resources published by international organizations (World Bank, International Monetary Fund, UN) [8]. In the process of data collection, methods of document analysis, statistical analysis, comparative analysis and expert assessment were used.

Statistical analysis was an important part of the study, which was applied by the state to assess the effectiveness of the policy of supporting the economy. Through this

analysis, the dynamics of economic growth rates, unemployment rate, inflation, investments and gross domestic product (GDP) growth were studied. The results of economic support programs carried out by the state in Uzbekistan and other countries were studied and their effectiveness was assessed on the basis of Statistics.

Using the method of comparative analysis, the economic policy of Uzbekistan was compared with developed and developing countries [9]. In particular, the experiments of economic development strategies and state intervention of countries such as the United States, Germany, China and South Korea were studied. The level of intervention of these states in the economy and the results of economic development were compared, and effective mechanisms for Uzbekistan were identified.

The expert assessment method served to increase the extent to which the study was based on practical results. The opinions of experts and economists on the economy of Uzbekistan were studied. Through this method, it was possible to draw an objective conclusion on the measures of economic support carried out by the state and their results. Based on Expert Opinions, the most effective strategies for supporting the economy were identified and their advantages and disadvantages were analyzed.

The research strategy was formulated on the basis of descriptive (descriptive) and empirical research methods. The descriptive study focused on the theoretical foundations of the mechanisms of supporting the economy and the analysis of its practices in different countries. And the empirical study was aimed at studying the results of economic support programs carried out by the state in the economy of Uzbekistan, which was carried out on the basis of real statistics. Deductive and inductive techniques were also used in the research process [10]. The deductive method helped determine the appropriate mechanisms for Uzbekistan on the basis of international economic experience, and the inductive method served to draw general conclusions based on the available data on the economy of Uzbekistan.

Several approaches have been adopted to ensure the reliability and correctness of the research results. First of all, the data was obtained from reliable sources, including official organizations and scientific articles. In addition, statistical indicators from different sources were compared and the reliability of the results was checked. Also, the variety of research methods was ensured and tried not to rely on only one method. This helped to make the research results more accurate and reliable.

Within the framework of this study, there are also a number of restrictions that should be taken into account. First, some hypotheses were put forward due to the fact that not all information on state economic policy is available in open sources. Secondly, their economic model was analyzed in more depth, since the experience of other countries may not directly correspond to the conditions of Uzbekistan. Also, in the course of the study, only significant economic indicators were analyzed due to the limited time and resources.

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