Section 6. Economic theory

Development of the theory of state economic growth policy

**Abstract:** The article deals with questions about the role of the state and state regulation of the economy in the economic growth. It analyzes the evolution of views on economic policy since mercantilism theory to modern concepts of state policy of economic growth generated by the trends of postindustrial transformation and globalization of the economy.

**Keywords:** Globalization, economic policy, economic growth, innovation, mercantilism, protectionism, modernization, political situation.

State economic policy — is the main tool of macroeconomic regulation of the economy. Its role and importance is steadily increasing, which is manifested in the growth of the state share in the distribution of GDP. It is influenced by economic, political and ideological factors, as well as the existing infrastructure institutions and their complexes as a product of the activity of previous generations. Its priorities are largely determined by the economic and political situation, the influence of interest groups, election tactics. But she, in turn, has a decisive influence on the economic development of the country, the region, the world, slowing it, or vice versa, contributing to economic growth.

Economic growth is a means to achieve the goal of social development — is raising the material welfare of the population. It is therefore also the aim of economic policy. It is also a means of improving distribution relations, it is a source of employment of labor, increasing the tax base, and hence the increase of state budget revenues. It allows you to more successfully deal with many domestic and international socio-economic problems. Economic growth allows you to raise the level of education, health care, address the environmental, defense problems.

From this perspective, we must distinguish the concept of economic growth and economic development. These concepts are closely linked. At the same time, there are often significant differences and therebetween. Economic development — is a multifaceted process. The content of this concept is switched on and the process of improving the production, economic restructuring, qualitative changes in the system of socio-economic relations. These variations, though not all, in turn, are reflected in the growth. Economic development takes place during the temporary absence of economic growth. For example, in the Republic of Uzbekistan for 1991–1995, there was a significant qualitative changes in the economy.

An example may be a period of transition from one economic system to another, in particular in the transition from centrally planned to market economies. But economic growth — an essential prerequisite for improving the production, progressive changes, transformations. It is an integral part of the progress, the foundation of social development. And this is due to the great attention to the issues of economic growth, it factor, which is given in the global and domestic economic literature, in the economic policies of the various states. An example may be the conclusions remarks on this issue in economic theory, economic policy of different countries. Economic growth has a qualitative and quantitative measure. He as a quantitative measure on the macro level, act as growth rate (growth) of the physical (real) GDP as a whole, as well as the per capita income for a certain period of time.

"Analyzing the progressive advancement of the country along the path of democratic reforms and sustainable development, we have all grounds to state that made
decisive steps in the past year in the implementation of fundamentally important reforms aimed at achieving our main goal — to reach the level of developed democratic countries in the world with a strong socially oriented economy, providing a decent standard and quality of life of our people,” President Islam Karimov noted [1].

Economic growth, oriented to the solution of social problems, improving sustainability and resource efficiency, is one of the promising areas of mitigation of risks and threats facing the countries of the world, especially in the post-crisis period. “To date, all developmental countries that have or are developing a long-term development strategy, as one of the major problems of its implementation put the transition to inclusive growth.” It should also change the investment project selection criteria in the formation of state investment program, identified as main number of new productive areas (sustainable and highly profitable) jobs per 1 mln. UZS. Investitsy [2, 201].

As an important component of such a policy should be to create the conditions necessary for the development of industrial accelerated SME-oriented production of finished competitive on the world market.

To assess the effectiveness of implemented increase employment programs should develop and implement classifier quality of new jobs created by features their sustainability and profitability.

Currently, the historical in the developed countries of the multilayer system of regulation of economic life (spontaneously-market, corporate, government and supranational government regulation) play the leading role of the state institutions, in one way or another controlled by civil society institutions. In modern conditions, “state — this is the only and exclusive institutions of society, universal mouthpiece of the public interest.” The population of developed countries require from their governments policies aimed at maintaining high employment, price stability and economic growth.

The value of the government’s economic policy has increased dramatically following the global economic crisis of 1929–1933. Have shown a lack of market and corporate regulation. It became clear that to save the capitalist economy and ensure that it is capable of further growth only sound economic policy of the state. Since the mid 30-ies. XX century scientific discussions are not conducted on the need and extent of government intervention in the economic life of society on the effectiveness of state economic policy.

In the pyramid of state regulation of the economy goals are the highest goals — social stability, preserving the dynamic performance and the creation of favorable conditions for economic growth. In the Republic of Uzbekistan, subject to the general logic of global development, also raises economic growth in the number of the priority objectives of its policy, linking it with the formation of the social state.

Concept of the state’s role in the economy, speaking part of economic knowledge, formed under the influence of general scientific laws, while reflecting the change of the object of study. The complexity of the research problems of the state policy of economic growth is that its constituent parts are the two categories of “public policy” and “economic growth”, the manifestation of which in real life does not always coincide.

An important place in the theory of growth take questions the state’s role in this growth. Experience in the development of most countries showed that the role of the state in the economy is growing, especially in recent decades. Today it is possible to trace the evolution of views on economic policy since the theory of mercantilism, which reflected the interests of the representatives of commercial capital and justify protectionism, to modern concepts of state policy of economic growth generated by the trends of postindustrial transformation and globalization of the economy.

Throughout the study period observed correlation logic of formation of state policy of economic growth with the evolution of the concept of social production. Thus, economic liberalism, dominant in the period of classical capitalism and up to 30-ies. XX century, a priority in the regulation of the economy gave the market and economic growth linked primarily to the accumulation of capital (Adam Smith, David Ricardo). But already in the XIX century with the appearance of areas of “impotence of the market” economists express ideas enhancing the role of the state in society (JS Mill, S. Sismondi), in favor of the priority development of the government economic functions (R. Owen, C. Saint-Simon, Charles Fourier) and even deny the necessity of the state (P. Proudhon), linking social progress with the solution of social problems.

At the end of the XIX century marginalists, and then the neo-classical (Menger, Böhm-Bawerk E., F. Wieser, W. Jevons, Marshall, A. et al.), Focusing on microeconomic issues considered, based on Say’s Law, that economic growth will be supported by the market mechanism automatically with minimal government intervention. But the global economic crisis of 1929–33, Which became a shock to the neoclassical theory, brought to life the theory of regulated capitalism. JM Keynes for-
mulated a macroeconomic theory of state regulation of the economy; He demonstrated how using the levers of state power can lead the country out of economic crisis, to preserve and stabilize capitalism, and the active state policy by influencing the aggregate demand can provide full employment and economic growth. Keynesian approach, contained in the “New Deal” of US President FD Roosevelt, the application for them to exit from the Great Depression proved that the search for solutions to similar problems lead to similar results, confirming the importance of international economic theory.

After World War II, at the stage of long-term economic recovery emerged neo-Keynesian theory of growth, which are based on a study of the relationship between accumulation and consumption, as well as the use of a multiplier-akselrator system. E. Hansen, R. Harrod, E. Domar formulated measures of state regulation of the economy to avoid the devastating effects of the economic crisis and to ensure sustainable economic growth. These developments have contributed to the emergence of multi-factor growth models (J. Robinson, J. Mead, R. Solow et al.).

Analyzing the problems of growth and development and formulating the principle of cumulative development, G. Myrdal showed originality of Asian countries — they do not work the main categories of Western theories of economic growth, which is related to the institutional backwardness of these countries. Without her address, noted Myrdal, technical and economic modernization does not lead to economic growth.

The increasing complexity of social and economic processes is reflected in the development of the institutionalism theory. The state, state economic policy have been included in the system of formal and informal business environment. Formation of the state was considered in conjunction with the evolution and growth of the exchange transaction costs (D. North). State Objectives: determine property rights and enforces contracts, correct market failures, contributing to economic growth. But the state is not ideal economic institute. In some cases, it is less efficient than a market mechanism.

Defining the policy as management institutions to monitor dilemmnyh structures institutionalists have formulated the theory of public choice, in which problems of macroeconomic policy decision-making process is considered similar to the commodity market (J. Buchanan).

“One of the limitations of economic growth is the work of groups with common interests, which have the purpose of changing the framework of the order in favor of its members (policy lobbying). [3, 482]” The larger and more powerful associations with common interests in the country, the more there are obstacles to its economic growth. (M. Olson) Therefore, it is impossible to develop effective economic policy aimed at economic growth without taking into account the activities of these groups.

The method of economic management through its impact on the dominant makroedinitsy (“poles of growth”), the so-called policy of state dirigisme formulated F. Peru (the theory of the dominant economy), in the form of a cluster strategy is now widely used around the world.

Logical and genetic analysis of the evolution of the economic growth of the state policy concept has shown its relevance and urgency for several centuries, and especially in the second half of the XX beginning of the XXI century. The study of the world experience of state regulation of the economy is of particular importance for the Republic of Uzbekistan, which is developing its strategy for the future movement.

References: