THE EFFECT OF STATE INTERVENTION IN ENSURING THE ECONOMIC SECURITY OF THE COUNTRY

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Abstract
This article contains information about state regulation of the economy, its historical stages and the effects, advantages and disadvantages of state intervention in the economy during the transition to the current market economy.

Keywords
Market economy, state intervention in ensuring the economic security of the country, market – mediated regulation forces, inadequacy of the market forces, economic recession, mass employment, targeted funding, state enterprise, limit private business

Introduction

The market economy operates through its objective laws and self-regulating levers and tools. However the market economy has both positive and negative aspects. The most important of them are the growth of disparities, economic tensions and crises, which are caused by the violation of market balance and imbalances formed on the basis of objective laws and relations in the economy, regulators. As a result of crises, economic decline, unemployment, inflation increase, people's standard of living deteriorates. Therefore, it will be necessary for the state to intervene in the economy and prioritize it with the help of economic levers and tools. This requires the harmonization of the market mechanism of self-regulation of the modern market economy with the mechanism of its regulation by the state.

As a result of the reforms implemented in the Republic of Uzbekistan, including institutional reforms, the mechanism of state regulation of the economy has been formed and is gaining development tendencies. The mechanism of state regulation of the economy formed in the Republic of Uzbekistan made it possible to mitigate its negative impact in the current world financial and economic conditions.

In the history of economic theory, the question of the role of the state in the economy was first considered by A. Smith on a scientific basis. In his book "An Inquiry into the Nature and Causes of the Wealth of Nations" (1776), the need for self-regulation of the economy through market methods was emphasized. According to A. Smith, it is necessary to completely free the market of private producers of goods from state control. Only then will it be possible to organize production in accordance with consumer demand. In this case, market-mediated regulation forces producers to act in the interests of society as a whole without any outside interference.

A.Smith believes that any state intervention in economic processes will ultimately only worsen the situation. However, this theory of his was criticized during the economic crisis of 1929-1933, which covered almost all countries based on market economy. The economic recession and mass unemployment required increasing the state's intervention in economic processes.
The issue of increasing the role of the state in the economy was reflected in J.M. Keynes' book "General Theory of Employment, Interest and Money" (1936). In this book, the author proves the need for the state to stimulate the aggregate demand of the society and ensure the employment of the population using fiscal and credit regulation tools.
In the post-war period, the instructions of Keynesian theory were used in one degree or another in all countries where the market economy actually prevailed. At the same time, the role of the state in the economy increased even more. At the present time, not only anti-cyclical regulation and employment provision, but also stimulation of a high level of economic growth and optimization of the overall reproduction process is recognized as an important goal of state regulation.

Analysis of literature on the topic

In the history of economic theory, the question of the role of the state in the economy was first studied by A. Smith on a scientific basis and the corresponding theoretical teaching was given. A. Smith's book "On the investigation of the nature and causes of the wealth of nations" (1776) emphasized the need for self-regulation of the economy through market methods. According to A. Smith, it is necessary to completely free the market of private producers of goods from state control. If this rule is followed, it becomes possible to organize production in accordance with consumer demand. In this case, market-mediated regulation forces producers to act in the interests of society as a whole without any outside interference. A. Smith believed that any intervention of the state in the economic processes will ultimately only make it worse. However, this theory of his was criticized during the economic crisis of 1929-1933, which covered almost all countries based on market economy. Economic recession and mass unemployment required increasing state intervention in economic processes.
The issue of increasing the role of the state in the economy was reflected in J.M. Keynes's book "The General Theory of Employment, Interest and Money" (1936). In his book, J.M. Keynes proves the need for the state to stimulate the aggregate demand of society and ensure employment of the population using fiscal and credit regulation tools. In the post-war period, the guidelines of Keynes' theory were used in all countries where the market economy prevailed in practice. In the current period, not only anti-cyclical regulation and employment provision, but also stimulation of a high level of economic growth and optimization (acceptance) of the overall reproduction process is recognized as an important goal of state regulation.
In general, government intervention in the economy:
The inadequacy of the market forces to ensure the full use of the available resources in the economy, the stable level of prices, the reduction of objectively occurring inequality in the level of incomes and sustainable economic growth makes it necessary for the state to intervene in the market economy. In the conditions of the market economy, the state

intervenes in the economy, creates a legal basis for the free market economy, redistributes income and wealth, as well as resources, and ensures macroeconomic stability.
Market economy distributes and redistributes produced goods and services based on their individual characteristics. However, there are also such types of goods and services for the production of which the market system cannot create competition. That is why the state undertakes the task of producing such goods and services. We include such goods and services in the products produced for the sake of social interests.
The intervention of the state in the country's economy is carried out mainly on the basis of the development and implementation of laws, direct production of goods and services, and macroeconomic policy tools, that is, with the help of budget-tax, monetary-credit policy tools.
The state redistributes income among different income levels of the population, and income and resources among different industries and regions. In this case, the priority of the public interest should always be taken into account.

Research Methodology
The research work uses methods of observation, generalization, factorial and dynamic comparison, logical analysis.

Analysis and Results
The main methods and forms of state regulation of the economy During the period of self-regulation of the economy, the market mechanism was the only mechanism for regulating the economy for a long time. The need to regulate the economy by the state and harmonize it with the market arose a little later.
The development of state regulation of the economy can be divided into two major stages:
1. Until the Second World War;
2. After the Second World War.

During the First World War, the state created favorable conditions for the reproduction of private capital: labor, tax, trade and social legislation frameworks were developed. In the era of free competition, the state began to participate in the economic process by expanding private capital in the construction of military factories and railways. At the same time, the state begins to regulate certain sectors (agrarian sector, money - credit) and others.
In the second stage, a number of countries have increased the activity of the economy regulation in the field of budget and credit in the field of network planning, programming of national and regional development. State intervention in economic development has a general economic nature, and the state has developed long-term strategic goals. This stage describes the activities of the state according to medium-term state agreements at the international level within the framework of integration unions. (EU, ICT, etc.)
The state regulation of the economy went from creating favorable conditions for the reproduction of private capital to the level of international agreements on the medium-term state program within the framework of economic cooperation.

In general, the main goal of state regulation of the economy is:

- Achieving economic and social stability;
- Creating favorable conditions for the functioning of the market;
- Ensuring the level of stability of economic growth;
- Management of structural changes in the economy;
- Ensuring social development;
- Solving ecological and demographic problems.

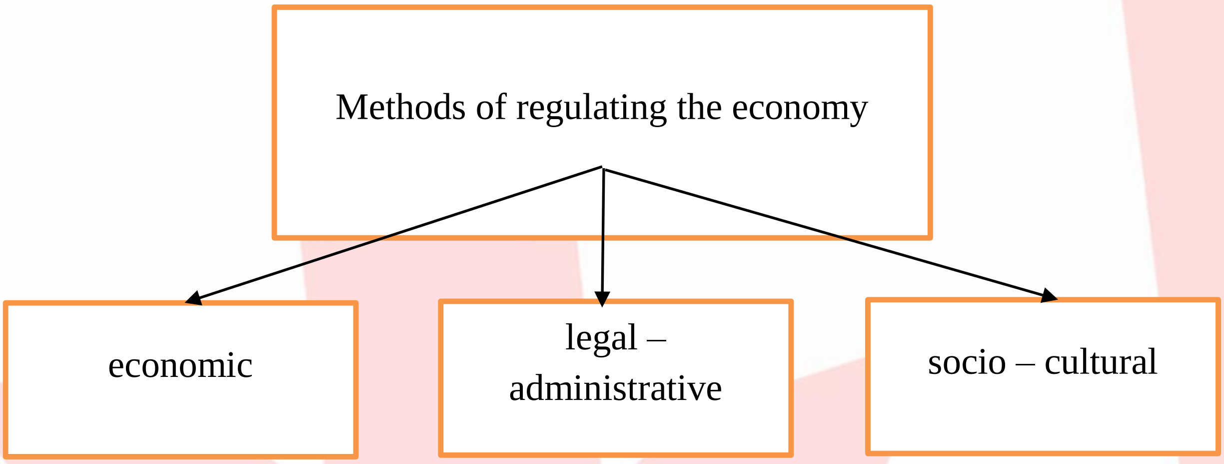

Figure 1. The method of state regulation of the economy.

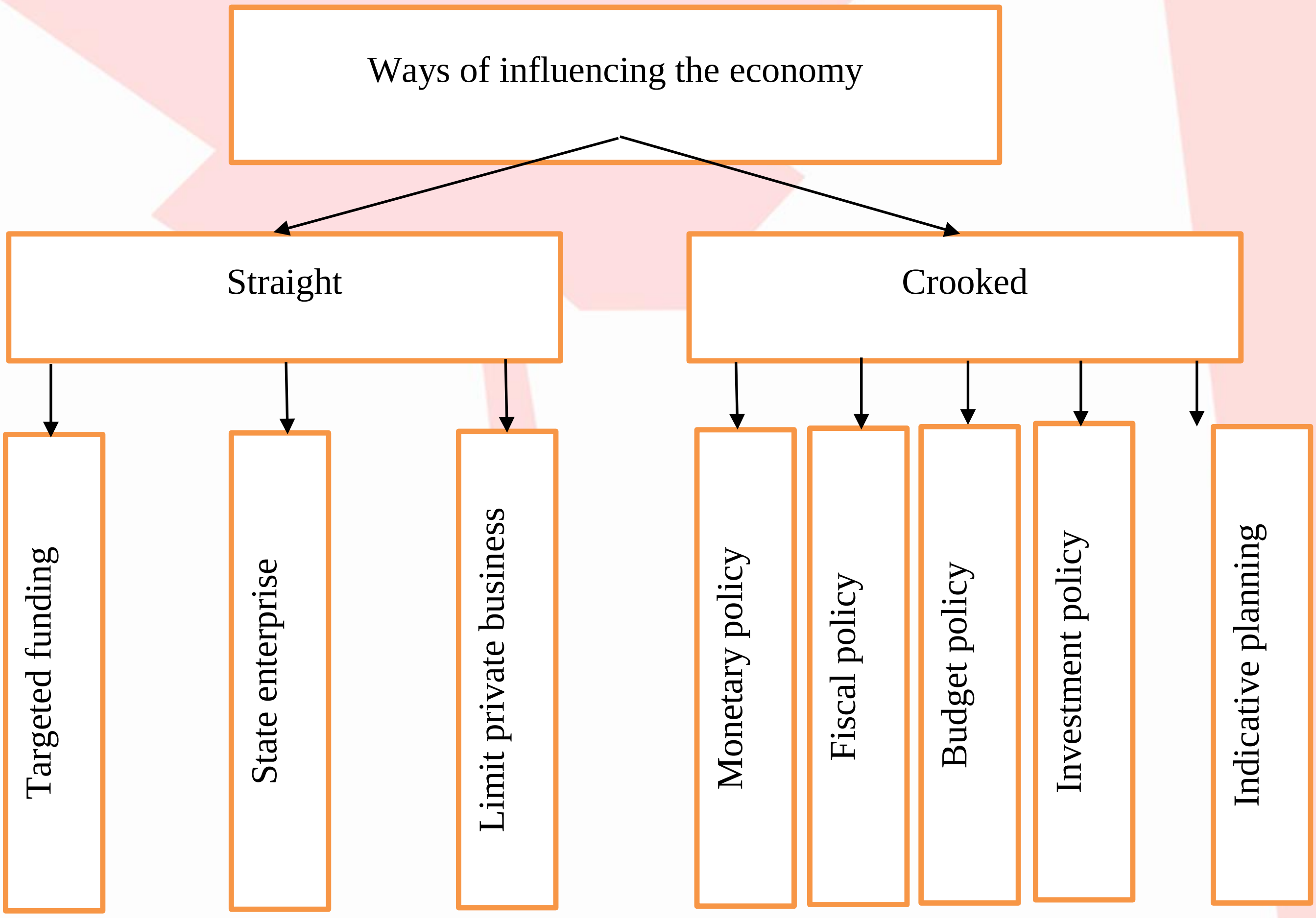

Figure 2. Methods of state regulation of the economy.

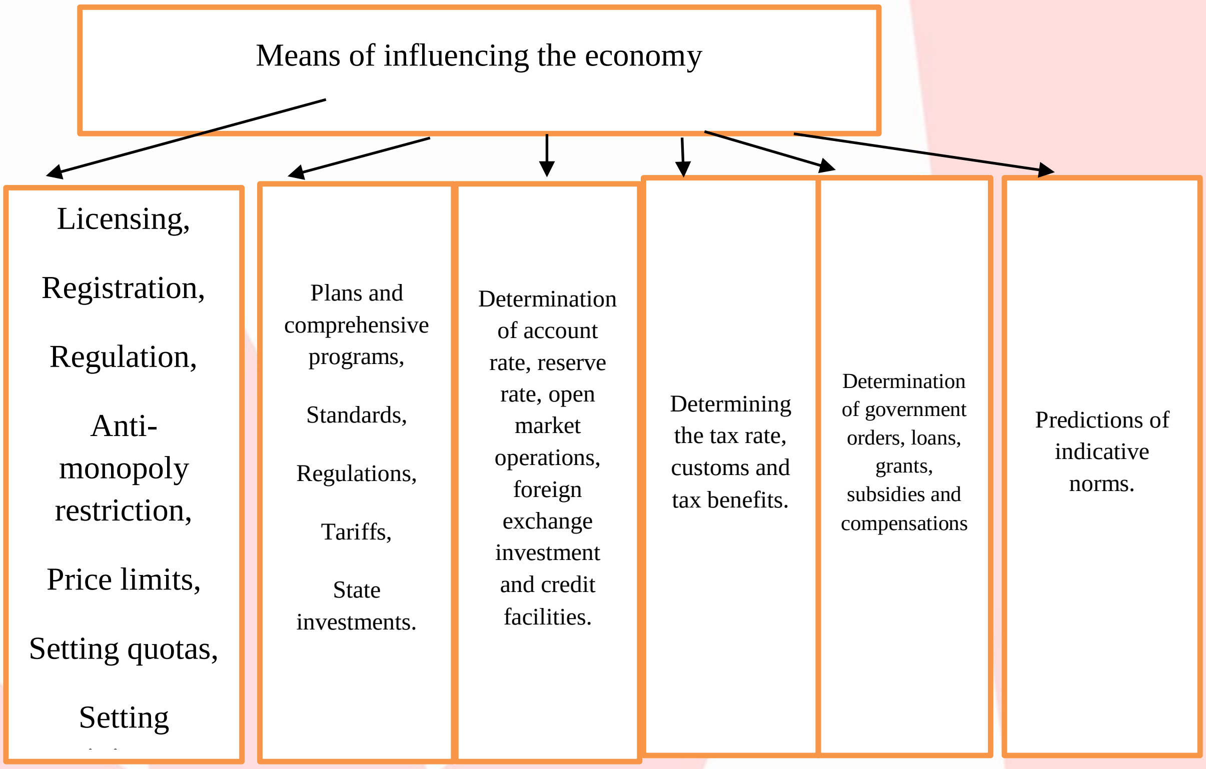

Figure 3. Means of state regulation of the economy.

The intervention of the state in the national economy in the conditions of the transition from a system based on administrative and command to a market economy is explained by the following circumstances:

First, the state takes on tasks that cannot be performed or that cannot be effectively performed through self-regulation in the national economy through the market.

Secondly, the private description of production and consumption in the conditions of the market economy gives rise to a number of positive and negative consequences. It is necessary for the state to express the interest of society, different from an individual entrepreneur or consumer, to encourage additional positive effects and, on the contrary, to regulate and limit activities related to negative effects.

Thirdly, the state's intervention in economic processes occurs due to the fact that individual consumers cannot always objectively assess the consequences of consuming one or another product. From this point of view, the state undertakes the task of expanding useful consumption and, on the contrary, limiting the consumption of goods that have a negative effect on health.

Fourthly, the state undertakes the task of partially alleviating certain situations arising from the nature of the market.

Fifth, in the current conditions, the task of stimulating stable and consistent economic growth falls on the state. There are also certain limits of state regulation of the economy, which arise from the state's influence on production efficiency. Any government intervention in the economy requires certain costs. First of all, it is possible to include the costs of organization and implementation of regulation. It is also necessary to take into account the impact that one or another form of regulation may have on market

balance, production volume, and redistribution of resources. In this case, the amount of expenses related to the implementation of the regulation should be less than the effect obtained as a result of the state's regulation of the economy. Their ratio determines the limits of state intervention in the economy.
In the 80s of the 20th century, the processes of limiting state regulation of the economy based on new conservative concepts began in developed countries. In this, the traditional forms of regulation were abandoned, the share of the public sector was reduced through the privatization of state property, the processes of decentralization in making economic decisions were strengthened, and the importance of market mechanisms in the economy was increased. In particular, in the United States, these measures are implemented under the direction of "America's New Development Path: Economic Renewal Program", in which income tax rates are reduced, tax incentives are provided for investments by large corporations in order to stimulate economic growth. It was intended to limit federal government spending, reduce state regulation of private business, and conduct an anti-inflationary monetary policy. However, the measures taken did not give the expected result. For instance, in the USA, the share of government spending in GDP increased from 22.6% in 1980 to 27% by 1987. Public debt has grown instead of falling, and the fall in inflation has not kept the financial system from going off the rails. On the contrary, due to the limitation of inflation, there have been cases such as a decrease in growth rates, an increase in unemployment, and a decrease in real wages. Such processes took place in England, Japan, Austria, Italy and other countries. Since the 1990s, Keynesian tendencies in the regulation of the economy began to strengthen again. The new type of state regulation of the economy is characterized by the realization of relations between the state and the private sector, increased flexibility of state regulation, forms of direct intervention and reduction of bureaucratic control. Regulation of the economy by the state is determined objectively. Many economists explain the need for state regulation of the economy only by the shortcomings of the market, its inability to solve many economic problems. Although this is true in a certain sense, however, the objective necessity of state influence on the economy is primarily determined by the development of productive forces. The process of generalization of production on the basis of the development of the social division of labor serves as the objective basis of the regulation of the economy by the state both at the level of the national economy and at the international level.

This process is manifested in:

- on the basis of deepening social division of labor, the interaction and interdependence of specialized branches of production will become stronger;
- as a result of cooperation and centralization of production, cases of separation of individual economic units into small pieces will disappear;
- the process of concentration of production in large enterprises grows;
- economic relations and exchange of activities between different economic regions will accelerate.

With the increase in the level of generalization of production, there is an objective need to manage the economy in a mutually coordinated manner, to consciously regulate the rates of reproduction, to centrally manage large production complexes and the entire economy. Accordingly, state regulation of the economy becomes an objective necessity at a certain level of generalization of production in any system of production relations. The regulation of the economy by the state means the activity of the state to increase the level of meeting the needs of the members of the society, which provides more effective use of limited production resources, is aimed at achieving general economic balance, and organizes the process of social reproduction.

State regulation of the economy in the conditions of a market economy consists of a system of legislative, executive and control activities. In the current conditions, state regulation of the economy is focused on solving a number of tasks related to the reproduction process. These include stimulating economic growth, regulating employment, supporting positive changes in industry and regional structures, and protecting exports.

The following are the subjects of state activity in the field of economic security of the country:

- analysis and synthesis of factors that have a negative impact on the country's economic security system;
- implementation of economic policy and institutional changes that serve to improve socio-economic policy.

The state strategy for economic security of the country includes the following:

- description of internal and external threats;
- criteria and state of the economy that meet the conditions of economic security of the country;
- protection of important interests of the country based on economic, legal and administrative measures;
- monitoring the implementation of the state strategy for economic security of the country.

The intervention of the state in ensuring the economic security of the country consists of several tasks and levers.

In addition to the above-mentioned general tasks of state regulation of the economy, there are also specific tasks assigned to authorities. They are as follows:

- economic growth and economic development;
- full and effective employment;
- aim to achieve economic efficiency;
- stable price level;
- economic freedom;
- fair distribution of income;
- the ratio of the country's foreign trade balance[1].

[1] Государственное регулирования рыночной экономики. –М.: Путь России. //Экономическая литература. 2002. –С. 26-27

Objects of the state's influence on the economy are processes, relations, conditions that occur in the field of social reproduction, which the market mechanism cannot provide or provides at an unsatisfactory level.

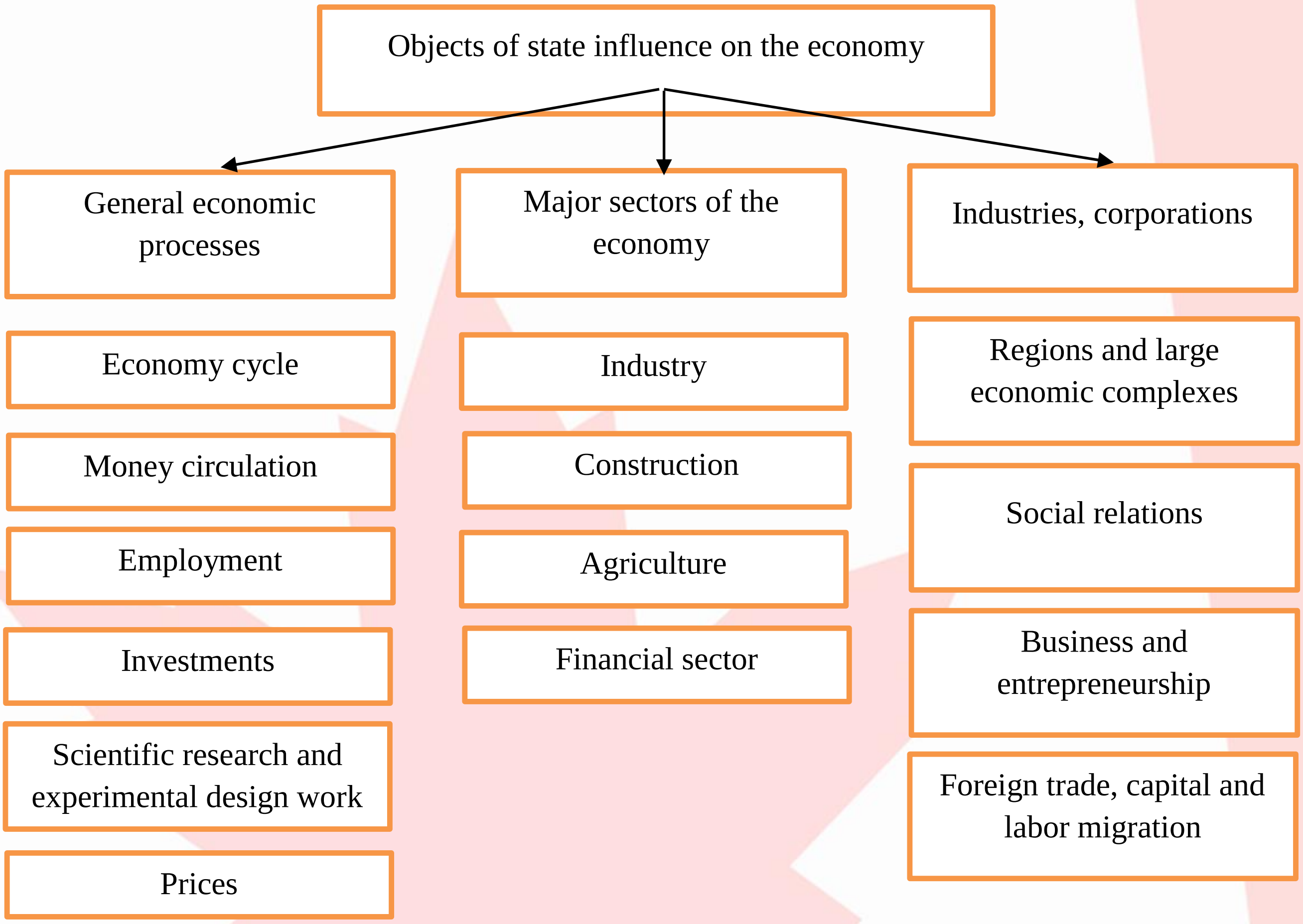

Figure 4. Objects of state regulation of the economy.

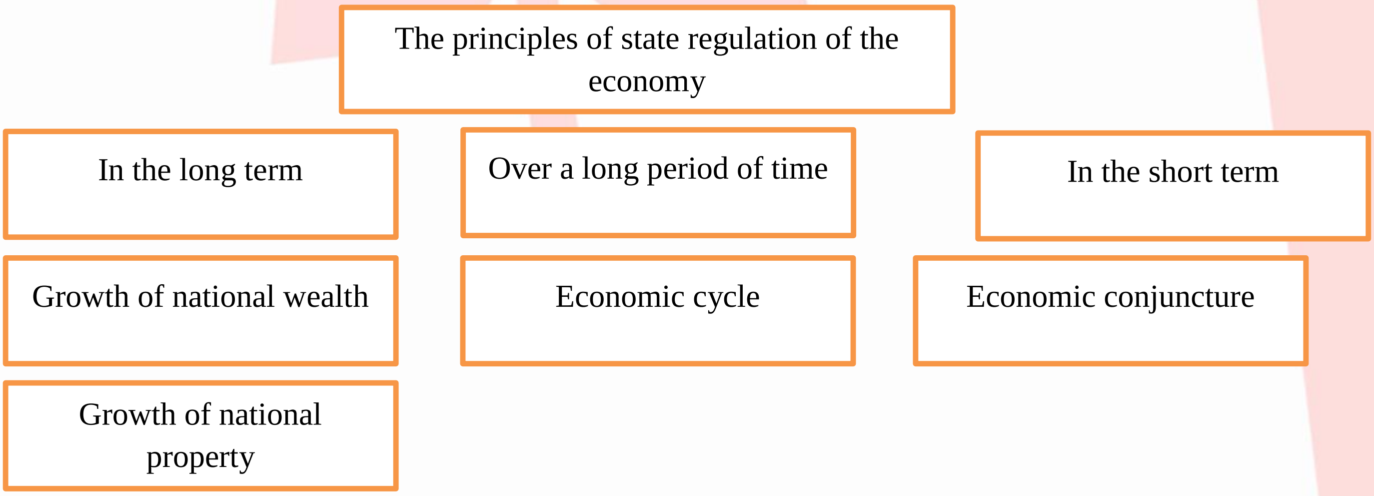

Figure 5. Subjects of state intervention in ensuring the country's economic security.

The implementation of a set of measures for the transition to a modern market system will lead to profound qualitative changes in the socio-economic development of the republic, its orientation towards the ranks of industrialized countries, and will provide a reliable guarantee of the economic, political and spiritual independence of Uzbekistan.

In the Republic of Uzbekistan, it is appropriate for the state, as the main reformer, to carry out the following tasks:

- In the initial period of the transition to market relations, protection of the interests of the population through the means of strong redistribution;
- Ensuring socio-political stability and inter-ethnic harmony;
- Creation and confirmation of legal bases of economic activity, specific market conditions;
- In the conditions of transition to the market economy, the economic freedom of people is guaranteed;
- In the conditions of the regulated market, development of the main goal directions, determination of the main path for the implementation of social and economic reforms, and development of measures and activities related to the implementation of this path.
- To solve social problems, to create an effective, clear and transparent system of social protection of the population;
- Assisting in the establishment and development of emerging business systems;
- To support the consistent implementation of the policy of the structure of economic sectors towards a specific goal.

As the first President of the Republic of Uzbekistan, I.A. Karimov, stated, "Regulation of the economy in market conditions by the state, usually by managing the development of the state sector of the economy and solving social problems directly, as well as indirectly with the help of legal and economic means is done.

Summary

In general, it is difficult to overestimate the role of the state in the economy. It creates the conditions for economic activity, protects entrepreneurship from the threat of monopoly, provides society's needs for public goods, provides social protection for the disadvantaged sections of the population, and at the same time eliminates issues of state defense. Therefore, no one denies the need for the state to perform certain functions in the economic sphere.

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