



MODELS OF MARKET ECONOMY FORMATION AND INTERACTION OF FISCAL POLICY

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ABSTRACT

This article theoretically researched and analyzed the interdependence of market economy models and fiscal policy. The models of the formation of the market economy and the characteristic signs inherent in each of them are revealed, in particular, taxes and taxation, as well as the impact on fiscal policy issues are also indicated.

KEYWORDS: market economy, model, budget, tax, fiscal policy, liberal model, social model.

INTRODUCTION

It determines the content and directions of fiscal policy, which should be developed and implemented in each country, and, first of all, what model it is based on in the formation of market relations in that country. In this sense, the models of market economy and fiscal policy are interrelated. The second (fiscal policy) is inseparable from the first (market economy models). If the opposite is done, on the one hand, it will have a negative impact on the development of healthy market relations in the country, complicating it. On the other hand, if the formation of a market economy in fiscal policy does not take into account the specific features, requirements and principles of this or that model, it prepares the ground for the failure of such a policy, and fiscal policy will sooner or later fail anyway. That is why it is important to understand the

interdependence of market economy models and fiscal policy.

MAIN PART

In this regard, it should be noted that when talking about the formation of a market economy (composition, creation) as a modern form or method of management in any country, first of all, its universally recognized in world practice It is noted that there are two models:

1. Liberal model;
2. Socially oriented model.

These two models of market economy have their own characteristics. We can see this in Figure 1 on the next page.

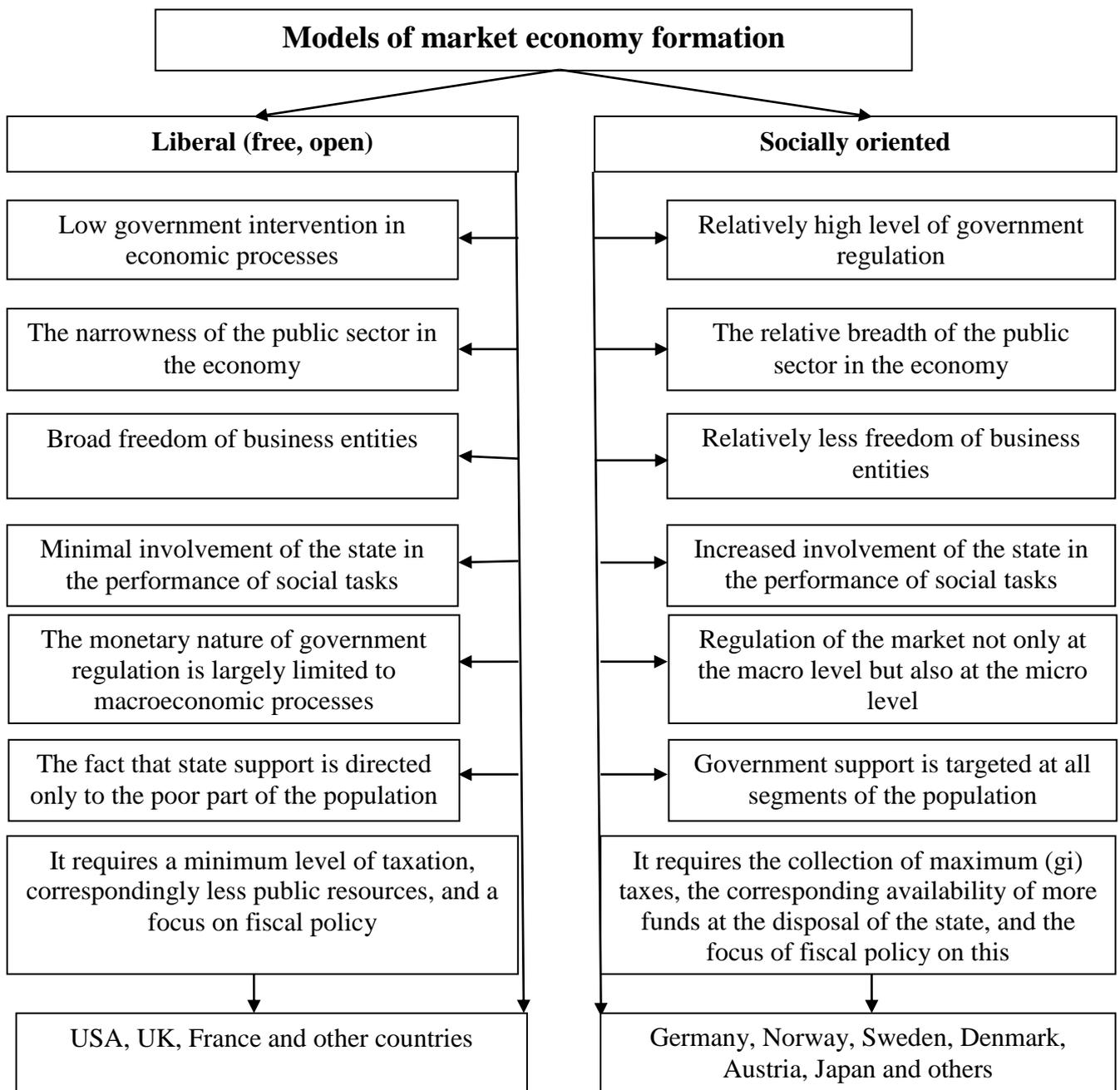


Figure 1. Models of market economy formation, their peculiarities and influence on fiscal policy

By analyzing the cases shown in Figure 1 and comparing their characteristic features or characteristics with each other, we can determine that these two models of shaping the market economy are radically different from each other. They are, in fact, the opposite of each other in almost every position. In addition, a characteristic that belongs to one model is not unique to another.

It should be noted that these characteristics of each model should be recognized not as a product of someone's creativity, but as an axiom of economic

life. They manifest themselves naturally, regardless of our will. There is no artificially "stuck" sign on this or that model. Therefore, they should not be "revised" or questioned by some.

Typically, a model is developed by a specific author (s). Models of market economy that have been created and are in place are no exception. They also have an author (s). But the author (s) of market economy models are different from the author (s) we are used to and envision with you. Their author (s) is called LIFE. Therefore, it is important to



note, once again, that these models of market economy formation were not developed or "invented" by individuals, which, in turn, is a long-standing historical development. and it is the result of the development of socio-economic relations.

Taking into account the models of market economy formation and the characteristics of each of them is of fundamental importance for making sound decisions in all areas (including fiscal policy). Therefore, when it comes to a particular country, first of all, it is necessary to clarify on the basis of which model this country is forming market relations. Then you need to start making decisions based on the characteristics of the model. Otherwise, the decision will not lead us to the desired goal.

As ordinary citizens, it is natural that we "applaud" the variants of the characters that belong to each model, feeling that they are "like" our interests. For example, in countries that form market relations on the basis of a "liberal model", there is: a) low government intervention in economic processes; b) broad freedom of business entities; c) the monetary nature of government regulation and its limitation to macroeconomic processes are fully supported by their citizens. In the same place, on the contrary, a) the narrowness of the public sector in the economy; b) minimal state involvement in the performance of social functions; c) it may not be acceptable for government support to be directed only to the poor.

The same situation is observed in countries that form market relations on the basis of a "socially oriented" model. For example, for their citizens: a) greater involvement of the state in the performance of social functions; b) it is important that government support is directed at all segments of the population, while a) there is a relatively high level of government regulation; b) relatively less freedom of business entities; c) regulation of the market not only at the macro level, but also at the micro level.

Leaving it to ourselves, of course, we want to accept only the aspects of both models that we like, and create a third model that incorporates such positive traits. But that is not possible. Because, firstly, the history of the development of market relations testifies to this, and secondly, trying to create such a model is nothing but a futile attempt. This is because here, too, the law of unity and struggle of opposites, which is one of the basic laws of the development of nature and society, shows its force. Because the manifestation of this law does not depend on you and us. Therefore, it is self-deceptive to imagine that models of shaping a market economy without it can only be positive or negative in practice.

Given the content of our topic, Figure 1 also shows the impact of the characteristics of each model of market economy formation, including taxes and taxation, as well as fiscal policy. It is clear that the liberal model requires a minimum, while the socially oriented model requires a maximum tax. It's not

spontaneous, it's based on strong logic. Therefore, the characteristics of the liberal model do not require the imposition of more taxes if other conditions are equal. Conversely, the characteristics of a socially oriented model do not allow for lower taxes. It is appropriate to interpret this situation as, in a sense, as an absolute truth.

The fact that this is the case is not just about taxes and taxation issues or fiscal policy. In any field of economics and economics, it will definitely leave its mark. There is no escaping it. To ignore it or not to see it is a sign of ignorance. So let's imagine: to what extent is the above "absolute truth" taken into account when we are preparing to solve problems in the economic sphere, including fiscal policy? Is it taken into account or not? Or is it his own way? To what extent should it be reflected in our "diagnosis" or ready-made "prescriptions"? Regardless, don't we put forward our "recommendations" and "justify" them scientifically and practically? Aren't the rest of us just spectators, "You don't touch me, I don't touch you" and "applaud"? How long should this last? ...

You can be sure that if the above "cornerstone" is taken into account in solving all economic problems, including taxes and taxation or fiscal policy, there will be no need for fortune-telling, unfounded fantasy and fantasy. You don't even have to hit your head on every stone. We don't throw ourselves into "fire" or "water". We refrain from "dancing" to any music. For the development of our country and the well-being of our people, we can make a worthy contribution to the adoption of sound and correct, fair and reasonable, useful and effective decisions, which will benefit, albeit "finely".

And finally, another point: be aware of the situation in Figure 1 and do not try to find the answer by involuntarily asking yourself, "Which of these models of market economy is better?" Even if you ask such a question, do not be distracted by other inappropriate things. Because his answer is in Figure 1. If you want to find it, look at the two groups of countries listed in accordance with the two models of market economy formation. The countries of both groups are the most developed countries in the world today in all major "positions". Surprisingly, using different "paths" or "models", their development and living standards are almost the same. One went forward and the other did not fall behind. The choice of "model" does not affect the achievement of the intended purpose. What more evidence is needed to prove that both models are "excellent" ?!

Of course, as each country sets itself the task of building or shaping a market economy as a modern and efficient way of doing business, it is only natural that it should choose one of these two "models." Because, as mentioned above, the author of the so-called "LIFE" has not yet established a third "path". At the same time, it is time to follow the example of China, which, according to some,



embodies both the elements of a "planned economy" and a "market economy" and has a high growth rate in recent years. don't even think it's necessary. While we are happy with China's achievements in this area, we must not forget what they are getting for. In addition, such thinkers should take into account the following real situation: China, which has a high growth rate, is, according to objective estimates, one of the most developed countries in the world, at least for a century. it takes time.

At the same time, when one of these two "models" is chosen, it is not advisable to blindly and automatically move them from one country to another, to "worship" them all the time. When choosing them, of course, each country first of all "evaluates" the "model". If the model fits, if all its "parameters" are correct, then the light is excellent. What if it doesn't fit or doesn't fit? In that case, the "model" that needs to be adopted must be "corrected", of course. Because, for example, the "dress" of a "stork" is not worn on a "sparrow" or vice versa. Here it is the same. Therefore, based on the socially oriented model of the formation of a market economy, which is based on a new (from) a new Uzbek meaning and essence and is recognized in the world, it is unique and appropriate. The modern Uzbek model is the result of such changes.

CONCLUSION

From a short story - a contribution: we have high hopes for all researchers, especially masters, who are trying to contribute to the development of economics and, on this basis, to the solution of practical economic problems, including fiscal policy. In this regard, we look with great confidence at our talented young people, who are determined to become economists and scientists in the future, to carry the "heavy" burden of science with dignity and to be worthy of our people. That's why we really want them to start from the right place, regardless of their scientific "fate". After all, how and when to reach the finish line depends, first of all, on the "start". It is impossible to imagine a "victory" without a "start".

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