

ANALYSIS OF VIEWS ON THE STAGES OF TRANSITION TO MARKET  
RELATIONS

Samarkand Institute of Economics and Service

Acting Associate Professor (PhD) of the Department of Economic Theory

**Ishonkulova Feruza Asatovna**

[f\\_ishonkulova@mail.ru](mailto:f_ishonkulova@mail.ru)

Samarkand Institute of Economics and Service

1st year students of group BI-125

**Xaqberdiev Norbek Aslam ugli**

[xaqberdievnorbek062@gmail.com](mailto:xaqberdievnorbek062@gmail.com)

**Quziboyev Hojiakbar Shavkat ugli**

[hojiakbarquziboyev5@gmail.com](mailto:hojiakbarquziboyev5@gmail.com)

**Annotation:** This article analyzes theoretical views on the stages of transition to market relations and their scientific and practical significance. The study covers the main stages of the transition from a centrally planned economy to a market economy, their content and essence, and the approaches put forward by various economic schools and scientists. It also analyzes institutional changes, socio-economic problems and mechanisms for overcoming them that arise during the transition to market relations. The article aims to reveal the complex and multi-stage nature of this process by comparing evolutionary and reformist models of the transition to a market economy.

**Keywords:** market relations, economic reforms, transition economy, institutional changes, privatization, competitive environment, economic transformation.

**Annotatsiya:** Mazkur maqolada bozor munosabatlariga o'tish bosqichlariga oid nazariy qarashlar va ularning ilmiy-amaliy ahamiyati tahlil qilinadi. Tadqiqotda markazlashgan reja iqtisodiyotidan bozor iqtisodiyotiga o'tish jarayonining asosiy bosqichlari, ularning mazmun-mohiyati hamda turli iqtisodiy maktablar va olimlar tomonidan ilgari surilgan yondashuvlar yoritiladi. Shuningdek, bozor munosabatlariga o'tish jarayonida yuzaga keladigan institutsional o'zgarishlar, ijtimoiy-iqtisodiy muammolar va ularni bartaraf etish mexanizmlari tahlil etiladi. Maqola bozor iqtisodiyotiga o'tishning evolyutsion va islohotchi modellarini solishtirish orqali ushbu jarayonning murakkab va ko'p bosqichli xususiyatini ochib berishga qaratilgan.

**Kalit so'zlar:** bozor munosabatlari, iqtisodiy islohotlar, o'tish iqtisodiyoti, institutsional o'zgarishlar, xususiylashtirish, raqobat muhiti, iqtisodiy transformatsiya.

**Introduction.** In world economic development, the process of transition to market relations is manifested as a complex, multi-stage and directly dependent on historical conditions. In particular, the formation of market mechanisms in countries with a centrally planned economy requires not only economic, but also institutional, social and political changes. Therefore, a scientific analysis of the stages of transition to market relations is of great importance in

understanding the essence of this process and assessing its practical results. The transition to a market economy is not carried out on the basis of a single model. Different countries have implemented this process gradually, based on their historical level of development, resource potential and social structure. In some countries, a rapid transition model through drastic reforms was chosen, while in others an evolutionary and phased approach was predominant. These differences have given rise to a variety of theoretical views explaining the process of transition to market relations. In the process of analyzing the stages of transition to market relations, changes in ownership relations, the formation of a competitive environment, the liberalization of price mechanisms, and the redefinition of the role of the state in the economy are of particular importance. It is these factors that are the main criteria that determine the success or failure of economic transformation. This article analyzes various scientific views on the stages of transition to market relations, revealing their theoretical foundations and practical significance. The results of the study serve to provide a deeper understanding of the laws of the transition to a market economy and to evaluate the economic reforms being carried out in this direction.

**Main part.** The process of transition to market relations is one of the most complex and responsible stages in the history of economic development. This process is not limited only to changes in forms of economic activity, but also includes changes in ownership relations in society, the role of the state in the economy, the social structure, and the formation of market principles in the minds of the population. Therefore, views on the stages of transition to market relations have been interpreted by different economic schools and scientists based on different approaches. First of all, if we turn to the theoretical foundations of the transition to market relations, classical and institutional economic theories give different assessments of this process. According to classical economic views, the market mechanism ensures economic efficiency through free competition, private property, and the formation of prices based on supply and demand. A. Smith interpreted the market mechanism as a means of achieving economic equilibrium through the “invisible hand” [1]. This idea justifies the need to maintain minimal state intervention in the process of transition to market relations.

However, practical experience shows that a sharp transition from a planned economy to a market economy does not always give positive results. Therefore, at the end of the 20th century, the theory of transition economics was formed. This theory emphasizes that the transition to market relations should be carried out through several successive stages. According to J. Stiglitz, “without the formation of market institutions, price liberalization alone cannot ensure economic stability” [2]. This view shows that institutional reforms are of priority importance in the transition to market relations. The process of economic liberalization is indicated as the initial stage of the transition to market relations. At this stage, the main tasks are to liberalize prices, reduce foreign trade restrictions, and give independence to economic entities. This process can increase economic activity in the short term, but it also causes negative consequences such as inflation, income inequality, and weakening social protection. In this regard, P. Samuelson emphasizes that market reforms “should be carried out taking into account social balance” [3]. The next stage is privatization and a radical change in property relations. This process involves increasing efficiency by transferring state property to the private sector. However, the form and speed of privatization directly affect economic results. Rapid and uncontrolled privatization has in some cases led to the emergence of monopolies and an increase in social inequality. D. North emphasizes in this regard that “the market mechanism does not fully function in conditions where property rights are not clearly defined” [4]. Therefore, privatization should be carried out

in conjunction with institutional reforms. Another important stage of the transition to market relations is the formation of a competitive environment and the development of market institutions. The stable functioning of a market economy is impossible without the effective functioning of the banking system, stock market, labor market and tax system. At this stage, the role of the state is limited to regulatory and coordinating functions. According to J. Keynes, “the state should not remain aloof from economic processes, but should eliminate market failures” [5]. This idea shows that the balance between the state and the market is important in the transition to market relations. It is worth noting that the process of transition to market relations has its own characteristics in each country. Some countries have chosen the method of “shock therapy” and implemented radical reforms in a short period of time, while others have preferred a gradual, evolutionary path. Practical experience shows that gradual reforms carried out while maintaining social stability give more stable results in the long term. In general, an analysis of views on the stages of transition to market relations shows that this process is complex and multifaceted, and there is no single universal model. For a successful transition, economic, institutional and social factors must develop in harmony with each other. It is this harmony that is crucial for the stable functioning of the market economy and the well-being of society.

Another important issue in analyzing the process of transition to market relations is the level of adaptation of economic entities. Enterprises operating in the conditions of a planned economy undergo a serious transformation in the process of adapting to market mechanisms. This adaptation is not limited only to changing the organizational structure, but also requires updating the management culture, risk assessment and strategic planning approaches. It is this factor that has caused the slowdown of market reforms in many countries. The formation of the economic consciousness of the population is also of particular importance in the process of transition to market relations. In the conditions of a market economy, the roles of consumers, entrepreneurs and employees change radically. If in a planned economy, state-guaranteed employment and price stability were a priority, then in market relations, personal initiative, responsibility and readiness for competition become important factors. Therefore, increasing economic education and financial literacy are considered an integral part of market reforms. Another important aspect is the re-formation of the social protection system in the process of transition to market relations. The introduction of market mechanisms may initially increase income inequality. Therefore, many economists emphasize the need for effective social policies in parallel with market reforms. Programs to support vulnerable groups of the population, retraining and employment assistance constitute an important social support for the transition to market relations. When assessing the stages of the transition to market relations, external economic factors should not be ignored. Integration into the international trading system, attracting foreign investment and connecting with global markets create new opportunities for countries with transition economies, as well as new risks. Therefore, a strategy for gradually increasing the competitiveness of the national economy is of great importance. Also, the issue of modernizing the public administration system in the transition to market relations is relevant. An effective state apparatus, a transparent decision-making mechanism and the fight against corruption are among the necessary conditions for the stable functioning of a market economy. The more effectively state institutions operate, the faster and more sustainably market mechanisms will be formed. As a result, the analysis of the stages of the transition to market relations shows that this process is associated not only with the introduction of economic mechanisms, but also with a deep transformation covering all spheres of society. The transition to market relations will be successful only when economic consciousness, the institutional environment, social policy and foreign economic relations develop in harmony with each other. In this regard, the most optimal way is to analyze this

process on a scientific basis and implement it step by step, taking into account national characteristics.

**Conclusion.** The analysis shows that each stage of the transition to market relations poses its own tasks and problems. The processes of economic liberalization, changing property relations, forming market institutions and developing a competitive environment are closely interconnected, and ignoring any of them reduces the effectiveness of the overall reforms. In particular, the strength of institutional reforms and legal frameworks is a decisive factor in the stable functioning of a market economy. It was also found that social factors play a high role in the process of transition to market relations. Economic adaptation of the population, employment issues, income inequality and the social protection system are important criteria determining the social acceptance of reforms. Therefore, the positive results of economic reforms will be sustainable only when they are carried out in harmony with social policy. In general, there is no single universal model of transition to market relations. Each country implements this process taking into account its historical experience, economic potential and social conditions. The analysis of scientific views and practical experience shows that a gradual, balanced and socially oriented approach is the most optimal way to transition to a market economy. In this regard, the results of this study serve as an important theoretical and practical basis for a deeper understanding of the process of transition to market relations and effective planning of future economic reforms.

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