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ECONOMIC SCHOOLS: FEATURES OF THEORIES AND VIEWS ON MARKET RELATIONS

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Abstract
In the context of globalization, market relations are becoming increasingly complex, turning into a system deeply integrated into the world economy, multifaceted and characterized by a high level of uncertainty. Factors such as the economic policies of states, financial flows, consumer behavior and technical progress have a significant impact on the balance of international markets, which requires studying various theoretical approaches to market relations and their scientific analysis. The development of mechanisms to improve the efficiency of modern economic systems and the development of solutions based on comprehensive and systemic approaches to solving problems of market relations have become a pressing scientific problem of modern research. Therefore, this article analyzes the concept of the market, its types, the main factors of its emergence, the stages of formation and development of market relations on an economic and theoretical basis. The study will provide an in-depth scientific analysis of theoretical and conceptual approaches and methodological solutions to market relations of economic schools that arose at important theoretical turning points in the evolution of economic thought.

Keywords: Market, integration, theory, idea, vision, competition, equilibrium, value institution, crisis.

Introduction

Theoretical and Methodological Foundations of the Research. This scientific work is aimed at systematically studying and analyzing the theoretical approaches of various economic schools concerning market relations. Throughout the research process, several methodological foundations and tools have been employed. First, the historical-analytical approach was utilized to examine the concept of the market and its associated theories in chronological order. The evolution of ideas was analyzed across distinct periods, including mercantilism, physiocracy, classical, neoclassical, Marxist, Keynesian, institutional, and monetarist schools of thought. The comparative analysis method enabled the identification of similarities and differences in how various schools approach the market — in terms of content, objectives, and methodological foundations. Key categories such as the free market, state intervention, price mechanism, competition, innovation, and institutions were compared to uncover conceptual distinctions and overlaps. Through the logical-gnoseological approach, the internal logical structure, conceptual framework, and scientific basis of each theory were examined. This analysis helped to identify the driving forces behind market relations, criteria for efficiency, and sources of failure within different theoretical models. The research offers a comprehensive exploration of the historical development stages of economic thought and their influence on contemporary economic systems. In doing so, it formulates conclusions with practical relevance and applicability.

Since the 18th century, paradigms that have emerged in economic thought have led to a gradual transformation in the perception of the market concept, ultimately contributing to the formation of modern market relations. As market relations have deepened and become the central pillar of a society's economic life, ensuring market equilibrium and establishing principles of fair trade have become pressing issues. From the early years of independence, Uzbekistan has prioritized the establishment and regulation of balanced market relations as a core objective within the framework of economic reforms. As President Shavkat Mirziyoyev stated: **"The New Uzbekistan, above all, means a new model of economic relations and a new economic worldview. Therefore, we are undertaking a comprehensive transformation of our economic system and, no matter how difficult it may be, we have begun to implement market mechanisms in practice"** (Mirziyoyev, 2022). This approach reflects the consistent implementation of a strategic vision for developing a market economy in the country, and it highlights the necessity of conducting scientific research in this area.

Literature Review

The presented material indicates that scholarly perspectives on market relations have been shaped by several major economic schools throughout history. In the early stages, mercantilists such as J.B. Colbert, T. Mann, and A. Serra viewed the market as a tool subordinated to state interests, aiming to increase national wealth through an export-oriented strategy. Their protectionist policies played a critical role in the formation of state customs systems, currency control mechanisms, and trade infrastructure.

In the 18th century, the physiocrats, including F. Quesnay and A.R.J. Turgot, conceptualized the market as a self-regulating system grounded in the principle of "natural order." They advocated for minimal government intervention, promoting the ideas of free trade, price liberalization, and property rights — which later became foundational elements of market mechanisms.

The classical school, represented by A. Smith, D. Ricardo, and J.S. Mill, explained the market as a self-balancing system driven by supply and demand [18, 15]. Smith's theory of the "invisible hand," along with Ricardo's and Mill's theories on price formation, became central to the foundation of free-market theory. At the same time, they acknowledged the negative effects of monopolies and emphasized the necessity of protecting free competition.

The Marxist approach, developed by K. Marx and F. Engels, rejected the notion of the market as a neutral mechanism [13, 6]. Instead, they interpreted it as a manifestation of class conflict. They argued that market freedom serves the interests of capital owners and that economic crises stem from inherent contradictions within the capitalist system.

The neoclassical and marginalist economists, including W.S. Jevons, L. Walras, C. Menger, F. von Wieser, and E. Böhm-Bawerk, analyzed the market based on consumer preferences and the theory of marginal utility [9, 22, 14, 23, 2]. Their contributions to the concepts of subjective value, general equilibrium, and marginal analysis laid the foundation for modern microeconomic methodology.

In the 20th century, Joseph Schumpeter conceptualized the market as a dynamic system continually renewed through innovations, advancing the theory of “creative destruction.” Milton Friedman, a strong advocate of free market principles, supported minimizing government intervention [7]. Paul Samuelson combined classical and Keynesian approaches, viewing the market as an efficient mechanism for resource allocation, while acknowledging the necessity of government intervention in cases of market failure[20, 10].

The institutionalism school, represented by D.C. North and others, linked market efficiency to transaction costs, property rights, and the quality of institutions. They interpreted the market not merely as a price mechanism, but as a complex system operating through the interplay of formal and informal rules. According to their perspective, institutional weaknesses are the fundamental root causes of market failures, leading to a decline in trust and reduced efficiency.

Overall, the literature review demonstrates that the concept of the market has significantly evolved over time—from state centralization to free competition and supply-demand mechanisms, and later toward institutional and innovation-driven approaches.

Main Part

A thorough analysis of views and theories concerning market relations—serving as the socio-economic foundation of human progress and the welfare of society—within the framework of historical consistency and ideological-theoretical approaches contributes to a deeper understanding of the fundamental nature of contemporary market relations. Economic thought evolution has been significantly shaped by various economic schools, including mercantilism, physiocrats, classical, neoclassical, Marxist, Keynesian, institutional, and monetarist approaches, all of which have succeeded in developing key ideas and theories regarding the formation, development, and advancement of markets.

The process of market development has grown increasingly complex throughout historical periods, eventually transforming into a unified system integrated as the global economy of the present day. The emergence of social relations and population growth gave rise to the phenomenon of labor division, a fact substantiated by numerous historical sources. Labor division led to the creation of new professions and the generation of surplus products. The necessity to exchange surplus goods due to labor division played a fundamental role in the initial stages of market formation and development as an economic system. Alongside factors such as the privatization of production means and specialization of production, the growth of human capital also exerted significant influence on the refinement of market relations.

Theoretical approaches conceptualize the market economy as a natural mechanism that autonomously balances economic activities of individuals. The market is a complex system of economic relations formed among producers, consumers, and intermediaries, functioning based on the interaction of free competition, demand, and supply. Through the mechanism of demand and supply, the exchange of goods, services, and resources occurs, and price formation is scientifically explained. The existence of commodity-money relations shapes the market not only as a sphere of economic interaction but also as the most efficient and flexible form of economic activity.

Analysis of theoretical foundations shows that the formation of markets was driven by essential factors such as social labor division, specialization and cooperation, the establishment of private property, the development of commodity production, and the emergence of monetary circulation. Producers began manufacturing goods not merely for their own needs but predominantly for other consumers, resulting in the need for exchange. Inter-sectoral specialization and cooperation enhanced production efficiency, which led to surplus product generation and stimulated the development of property relations. Consequently, the formation of property interests and property rights increased the volume of commodity production, creating a necessity for an independent economic space—the market—for exchanging and selling surplus goods. The expansion of commodity volumes and diversification of service types further necessitated the emergence of money as a universal medium simplifying the exchange process. As a result, the market evolved into not only an institutional field for exchange but also an important economic institution regulating the complex economic relations between property, labor, and products.

With the development of market relations, theories and approaches aimed at formulating the fundamental laws and principles of economic relations began to emerge. In particular, during the 17th and 18th centuries in Western Europe, when the bourgeoisie was forming, mercantilism appeared as an initial economic doctrine. Economists such as Jean-Baptiste Colbert (France), Thomas Mann (England) and Antonio Serra (Italy) advanced mercantilist teachings, successfully implementing programmatic views related to state finance, customs policy, industrial development, and regulation of trade relations in practice during their time [5, 12, 22].

According to the ideas of this doctrine, subordinating economic activity to the interests of the state, direct state control over the economy, increasing national wealth, and strengthening the state's economic power were considered crucial political processes determining the fate of the state. They regarded gold and silver reserves as the primary measure of national wealth, asserting that the state's economic power and the welfare of its people were determined by the quantity of these precious metals.

Mercantilist thought emphasized that a country's export capacity exceeding imports ensured a positive balance of trade. The accumulation of foreign currency (precious metals) earned from exported goods within the country was viewed as a vital factor guaranteeing the state's economic independence. Mercantilists advocated active state intervention in the economy and consistently promoted protectionist policies, which entailed restricting imports, encouraging exports, and protecting the domestic market by supporting local producers through subsidies and customs privileges. According to the doctrine, pursuing colonial policies to achieve economic benefit and transforming colonies into sources of raw materials and markets for finished goods was also regarded as necessary.

The period during which mercantilist ideas were taking shape corresponds to the gradual separation of market relations from the feudal system and their formation as an independent economic structure. Mercantilist concepts played a significant role both theoretically and practically in the development of market relations. Unlike advocating for free trade, they were the first to theoretically promote a regulated form of trade, thereby restricting the natural and free development of market relations. However, these views contributed to the establishment of the initial institutional components of market infrastructure through the formation of state customs policies, regulation of export-import activities, legalization of trade relations, the introduction of national currency circulation, and the development of state finance systems.

Mercantilists advanced the idea of state-level support for social division of labor and specialization, which caused expansion in various sectors of production. By supporting local producers, they accelerated the circulation of goods in the domestic market and stimulated the formation of consumer-demand mechanisms. Consequently, they initiated the process of establishing exchange relations among market participants. By creating national currency and customs systems, their approach to gradually implementing market infrastructure gave rise to mechanisms involving money, pricing, competition, and supply-demand dynamics. Their emphasis on a positive trade balance shaped the external economic policies of states and contributed to the formation of international trade. The increasing interconnection of national markets laid the groundwork for the globalization of market relations.

In practice, active state intervention in the economy did not eliminate market mechanisms but rather facilitated the emergence of internal competition, improved product quality, and strengthened producers' incentives to seek profit. This, in turn, formed the motivational mechanisms underpinning market relations.

Did the ideas of the mercantilist doctrine influence Uzbekistan's economy?

The ideas and views of the mercantilist doctrine found expression in the economic policy of Uzbekistan during the early years of independence (1991–2000). In this period, government institutions actively intervened in economic processes, pursued tight control over foreign trade, and adopted protective measures aimed at safeguarding domestic producers. In particular, this is clearly evident in the government's policies aimed at import substitution, currency regulation, and the management of foreign trade. The protection of domestic producers, high tariff rates, various restrictions and quotas, limitations on the free convertibility of the national currency, significant discrepancies between official and unofficial exchange rates, the promotion of exports (such as cotton, gold, and gas), and the imposition of various barriers to imports all reflect the application of mercantilist principles as a core political and economic instrument. Uzbekistan built its economy on a state-centric model that relied heavily on a favorable trade balance and strict currency controls.

In the 18th century, the Physiocratic school emerged in France, viewing the economic system of society as a unique order governed by natural laws. Based on the theoretical principle of the "natural order," the Physiocrats identified agricultural production as the foundation of societal progress and considered only agricultural output as "net product." According to their scientific approach, the industrial and commercial sectors did not generate new wealth but merely redistributed existing resources. The core ideas of Physiocratic economic thought centered around the theory of the net product, the natural order, limited government intervention, land as the primary means of production, and the concept of a single tax.

Their approaches, which served to reinforce the institutional foundations of market relations, were grounded in the principles of liberty, order, and natural regulation. Emphasizing that the market operates according to its own internal laws, they argued that state interference in economic activity would disrupt this equilibrium. Following the principle of non-intervention, they asserted that the relationships among producers, traders, and consumers should form independently of government involvement. They provided a theoretical justification for free trade and price formation based on supply and demand.

The Physiocrats argued that the independent functioning of market participants arises through their free interactions, contributing to the development of key market elements such as freedom of contract, property rights, and price liberalization. Continuing their line of reasoning, they created the first scientific model of commodity-money circulation within market relations by illustrating the cycle of production and distribution in their “Tableau Économique.” This model is regarded as a foundational contribution to the theories of economic equilibrium and circulation within market economies.

In conclusion, the Physiocrats viewed market relations as a vital form of socio-economic organization and helped shape the fundamental principles of market economics through their emphasis on liberty, natural laws, and economic balance. The principles they developed such as laissez-faire, net product, free circulation, and the limited role of the state formed the theoretical roots of the modern market system.

In the early years of independence, agriculture was recognized as the foundation of economic development in our country, and physiocratic ideas became especially prominent in policies related to cotton production, grain cultivation, and food security. Consequently, the state regarded land as the principal source of wealth, and the taxation of agricultural land was based on area—regardless of yield. By promoting farmer privatization and the expansion of peasant farms, the government sought to facilitate the free activity of economic agents, while simultaneously focusing on the development of rural infrastructure. In adopting these measures, the state effectively implemented physiocratic principles, without deviation. In essence, these ideological concepts were indirectly realized in Uzbekistan’s agrarian sector through an economic model grounded in land, dynamic producer activity, and tax reforms.

Moreover, the classical school of economics whose ideas were formulated by scholars such as Adam Smith, David Ricardo, Jean-Baptiste Say, Thomas Robert Malthus, and John Stuart Mill served as a foundational source for modern economic thinking, political-economic institutions, and the formation of market relations [1, 18, 15]. Their work established fundamental principles, providing faith in the orderly and mechanical operation of the economy.

Beginning with Adam Smith, members of the Classical School of Economics advanced key ideas and theories centered around the free market, individual self-interest, free trade, capital accumulation, and the labor theory of value. At the core of these theories lies the principle that the freedom of market relations is directly linked to the degree of state intervention, and that prices are formed based on the laws of supply and demand. According to classical economists, all participants in market relations act in pursuit of profit: sellers aim to maximize income, while buyers seek to lower prices—both sides, therefore, are motivated by self-interest. Each product possesses a certain value, which is determined by labor relations involved in the process of its production. Granting privileges to certain societal groups, particularly to producers or trading entities, undermines the rules of free trade, which is one of the fundamental principles of the market economy. Classical economists viewed protectionism as an economic policy that undermines free markets and free trade, asserting that such interference contradicts natural economic laws. From their collective perspective, economic development requires continuous investment support, and they sought to develop the economic laws that govern and regulate these processes.

Adam Smith was a proponent of free competition and recommended increasing the number of producers in the market as a means of ensuring it. He warned that if only a few producers were present, they might collude to fix prices and deceive consumers. In his views, Smith argued that while producers naturally seek to maximize their own profits, the economic system must prioritize the interests of consumers above all else. He scientifically substantiated the notion that although individual producers pursue personal gain, the structure of a well-functioning market economy should be such that it ultimately serves consumer welfare. His famous observation — **"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices"** — has often been cited in discussions of free competition and has been interpreted as a warning against actions that undermine market freedom. Smith saw such behavior as a direct threat to the principles of free markets and believed that these types of collusion were effectively measures aimed at dismantling a truly competitive market system.

Adam Smith regarded monopolies as a threat to economic freedom, arguing that their activities are primarily directed toward extracting excessive profits, artificially inflating prices, and undermining consumer interests. He viewed monopolies as systems that slow down innovation, lead to an unequal distribution of resources, and distort market prices through non-competitive mechanisms. Regretfully, Smith noted, **"governments often grant monopolies special privileges, thereby attacking the principles of free trade and competition."** He critically analyzed such privileges, showing how they violate the core tenets of a free market by artificially raising prices and limiting supply. Smith's theory of the "invisible hand" is one of the foundational ideas that has shaped modern economics and market relations. According to this theory, even though each individual pursues their own self-interest, they inadvertently contribute to the overall welfare of society. This process, he argued, is regulated automatically by the mechanisms of the market itself. He referred to this self-regulating and self-directing force as the "invisible hand" [1].

Another prominent representative of the Classical School, David Ricardo, made significant contributions to the understanding of market relations through his theories of labor value, natural and market prices, and the role of rent. According to Ricardo's labor theory of value, the value of a commodity is determined by the amount of labor required for its production. Unlike Adam Smith, Ricardo did not consider land rent and capital profit as determinants of value; rather, he treated them as forms of distribution of the value already created. In his theory, the natural price of a commodity is determined by its production costs, including labor and capital expenses. The market price, however, fluctuates around the natural price due to changes in supply and demand. Over the long term, prices tend to align with production costs, as the market functions as a self-regulating and balancing system [18].

As a member of the Classical School of Economics, John Stuart Mill, in his work **Principles of Political Economy and Their Application to Social Philosophy**, explored market relations by integrating them with the laws of socio-economic development. In his teachings, he described the market mechanism as a system that functions based on free competition, the interaction of supply and demand, and the tendency toward price equilibrium.

Mill categorized prices into two types: **market price** and **natural price**. According to him, market price is determined by fluctuations in supply and demand, while natural price is based on production costs, capital input, and the normal rate of return on labor and capital. He argued that market prices tend to fluctuate around the natural price. Mill scientifically examined how market relations contribute to allocating production resources efficiently and moving prices closer to their natural level. While he supported the efficiency of a free market system, he also acknowledged the important role of the state in correcting market failures and ensuring social justice within the economy [15].

In the second half of the 19th century, a new school of thought emerged that critically reinterpreted the legacy of classical economics in relation to market relations. This approach viewed the market not merely as a neutral mechanism of exchange but as a social structure reflecting class relations and the contradictions between the forces and relations of production. Proponents of this view regarded the market as an essential element of the capitalist mode of production, emphasizing that the freedom of the market conceals the exploitation of labor. For example, Karl Marx, in his seminal work Capital, described commodity and monetary exchange as transactions between formally equal producers. However, he argued that in reality, this process generates surplus value, which is appropriated by capitalists through the exploitation of workers. Marx interpreted market freedom as a mechanism that reinforces the class-based structure of society and concluded that such freedom primarily serves the interests of capital owners, rather than society as a whole [13].

Friedrich Engels viewed the market as a crucial factor in the collapse of feudal relations and the emergence of the capitalist system. According to him, **market freedom** was a temporary phase that, due to intensifying class conflicts, would eventually be replaced by new forms of social relations. He described this as a process of **capital accumulation**, during which market dynamics increasingly come under the control of **monopolies and large corporations**. When discussing competition, Engels considered it a form of "natural selection" within capitalism, which tends to favor the strong and eliminate weaker participants, particularly those with limited financial means. He argued that such competition does not create equality but instead leads to further **economic concentration** and **social exclusion**. Engels further claimed that the **contradictions** inherent in market economies inevitably lead to **crises**, which, over time, contribute to the **collapse of the capitalist system [6]**.

According to the theories of **Marx and Engels**, market relations are not a neutral economic mechanism. Rather, the market is an **active component of the social class structure**, reflecting the conflict between the **forces and relations of production**. In their view, the notion of market freedom serves to **reinforce the dominance of capital owners** and contradicts the idea of equality among productive forces.

The successive implementation of scientific advancements and their widespread application in production processes marked the beginning of the industrial era. During this period, traditional manual labor was increasingly replaced by technology, and improvements in transportation—particularly the expansion of railways—enabled the more efficient movement of goods. These developments not only helped meet growing consumer demand but also led to the diversification of goods that served similar functions in the market. As a result, a significant shift occurred in the functioning of market mechanisms: markets transitioned from being **producer-driven** to **consumer-driven**. Accordingly, the value of goods was no longer determined primarily by the cost of production but rather by the **interaction of supply and demand** in the marketplace.

These changes laid the groundwork for the emergence of a new school of economic thought known as the **neoclassical school**, or **marginalism**. This approach played a foundational role in advancing modern economic theory by redefining how value is perceived and how markets operate.

The core ideas put forward by members of the neoclassical school center around the notion that it is not the producer but the consumer who determines the value of goods and services. This view is grounded in the theory of marginal utility, which posits that value is derived from the consumer's perception of the marginal benefit provided by an additional unit of a good or service. In contrast to classical economists—who argued that the value of a product is determined by the costs incurred in its production—representatives of the marginalist school contended that, under competitive conditions, production volumes, market equilibrium, and economic decision-making regarding the creation of goods and services are governed by marginal values, such as marginal utility and marginal cost. Overall, the marginalist approach, which emphasizes the analysis of marginal (additional) benefits and costs in decision-making processes, constitutes a fundamental methodological distinction from the doctrines of mercantilists, physiocrats, and classical economists

One of the founders of the neoclassical school, William Stanley Jevons, in his work **The Theory of Political Economy**, asserted: **"The interest of the consumer, that is, of the whole people, is the ultimate consideration. To achieve this goal, the most effective means is to grant individuals complete freedom of action."** According to Jevons, individuals must possess the right to engage in labor activities voluntarily and freely, just as they must enjoy full independence in making decisions regarding purchases in the marketplace. Jevons' economic perspective, which emphasizes that market participants should have complete access to accurate information in order to ensure the efficient functioning of the market, can be seen as a theoretical foundation for the revolutionary application of information technologies in the modern digital economy [9].

The French economist and founder of the Lausanne School of Economics, Léon Walras, classified the market into two categories: the market for services and the market for goods. He included resources and capital goods in the market for services, while consumer goods, which serve the needs of consumers, were placed in the market for goods. Walras scientifically substantiated the necessity of coordinating the interests of producers and consumers in determining value within the market. His general equilibrium model envisages the establishment of proportionality in exchange and production processes, emphasizing that production costs in the market must correspond to a normal profit considered as a reward for capital [22].

Karl Menger's subjective theory of value holds significant historical importance as it laid the philosophical and methodological foundation for modern microeconomic analysis and established a new direction for the study of market relations. According to this theory, the value of a product is not determined by production costs or the "amount of labor" expended, but rather by the individual needs of the consumer and the utility derived from the product. The consumer's preferences became the focal point of market research. Approaches within the subjective theory of value contrast with the classical economists' objective theory of value by emphasizing that value is formed in the human mind and is inherently subjective. This theory explains that the value of a product expressed through the market takes the form of price [14].

The study of human needs is a crucial aspect of understanding market relations, as it demonstrates that economic decisions related to supply and demand—the fundamental components of the market mechanism—are made by consumers. Accordingly, three essential stages in market analysis have been identified. The first stage involves identifying needs and examining the existence of demand; the second stage assesses the capacity of the produced goods to satisfy consumer needs; and the third stage introduces the buyer to information about the general characteristics and capabilities of the product. According to Menger's approach, if these three conditions are not fulfilled, the goods offered will not possess "real" demand within market relations, and their value will remain low.

Menger developed foundational knowledge regarding the nature of a product's marketability against the backdrop of clarifying the concepts of product characteristics and salability. His contributions to economics—specifically the notions of saleability limits, salability, and liquidity—have become the cornerstone of modern marketing theory. Menger's economic conclusions form the methodological basis of contemporary microeconomics and consumer behavior models. His theory of subjective value remains integrally connected to current market concepts such as demand elasticity, consumer surplus, and marginal utility. Furthermore, his insights into market success emphasize that it depends not only on production efficiency but also on accurately understanding consumer needs and creating products tailored to them—a viewpoint that has been empirically validated [14].

Friedrich von Wieser, a representative of the second generation of the Austrian School of Economics, emphasized the role of production factors in determining the value of a product. He argued that, under market conditions, the efficiency of production costs becomes one of the key factors defining the marginal utility of a product. According to Wieser, the demand for production factors does not form independently; rather, it derives from the demand for the final goods produced by those factors. Therefore, the value of production factors is imputed—that is, it originates from the value of the final product. Based on this reasoning, production goods such as labor and capital are evaluated indirectly through the marginal utility of the products they help to create. Unlike other representatives of the Austrian School, Wieser believed that state intervention and planning were necessary to implement the principles of marginal utility and to ensure the optimal functioning of the economy [23].

Another representative of this school, O.B. Böhm-Bawerk, proposed analyzing the value of a product from two perspectives: “subjective” and “objective” value. According to his theory, subjective value reflects the importance of a product for the well-being of the buyer, while objective value refers to the product’s capacity to produce certain objective results. As a simple example, Böhm-Bawerk illustrated that the “exchange value” of a good expresses its objective significance in the context of barter. In his conclusions regarding the interest rate, Böhm-Bawerk described it as a reward paid by individuals for foregoing present consumption in favor of future consumption, based on the principle of “time preference.” Opposing Karl Marx’s assertion that “value arises from labor,” Böhm-Bawerk argued that value is formed based on the buyer’s subjective evaluation [2].

A prominent figure of the Austrian School of Economics, Friedrich August von Hayek, in his modern economic perspectives, viewed the market as an information exchange mechanism. He emphasized that market prices automatically provide participants with essential information regarding resource allocation, demand, and value.

Advocating the principles of the free market, Hayek concluded that the natural functioning of the market helps reduce economic crises. He regarded the free market, private property, and the guarantee of legal rights as the foundation of societal progress. The scholar believed that the economy and society should develop not through centrally planned "projects," but through an evolutionary process [8].

Maynard Keynes, with his views on market relations, introduced some of the most important turning points in modern economics. He critically challenged the classical school’s principle that “the market always tends toward equilibrium” and theoretically justified the active role of the state in economic processes. Rejecting Say’s law, Keynes argued that the market’s ability to self-correct is limited. He emphasized that during economic downturns and crises, the problem of insufficient demand hinders the spontaneous recovery of market mechanisms, and therefore, the state must intervene through its programs and policies to address this issue. Keynes, while drawing scientific conclusions about the importance of interest rates and investment decisions, argued that interest rates should not be understood solely as the cost of capital accumulation. Rather, he emphasized the need to consider individuals' preference for holding money in liquid and safe forms (liquidity preference). In other words, if market participants prefer to keep their money in cash instead of investing it, interest rates tend to rise. Conversely, if people are willing to invest their capital, interest rates tend to fall. Keynes’s views on interest rates directly correspond to the “liquidity preference” theory, as he interprets the interest rate not as the cost of capital, but as the equilibrium between people’s desire to hold money and the supply of money [11].

Joseph Schumpeter, a political scientist and professor at Harvard University and a prominent successor of the neoclassical economic school, emphasized that the driving force behind economic activity is market demand. He described the economy as a process that follows this demand. Schumpeter explained that new approaches to meeting market demand—such as innovations and new products—replace old ones, creating an industrial mutation known as "creative destruction." According to him, changes in the market are driven by innovative entrepreneurs, and this process fosters competition not through prices but through innovations [20].

Milton Friedman, through his modern scientific theories, initiated a new era in the global economic landscape. Contrary to the conclusions of Keynesian economists, Friedman argued that minimizing government intervention in the market and supporting free-market policies could achieve development goals across all sectors of the economy. For example, the Chilean government applied Friedman's conclusions in its economic development strategy, which empirically supports these ideas by achieving a rapid economic growth trend in a short period. According to Friedman, the market, during periods of growth, fills gaps through evolutionary processes by selecting the most efficient options, thereby functioning as a perfect mechanism capable of maximizing expected economic outcomes [7].

Paul Samuelson, the founder of the neoclassical synthesis theory, integrated classical and Keynesian approaches in his views on the market, describing it as a mechanism for the efficient allocation of resources. According to Samuelson, the market mechanism allocates production resources (labor, capital, land) to the most efficient uses through price signals, thereby generating the highest level of overall welfare.

Defining price, Samuelson regarded it as the point where producers' and consumers' decisions coordinate, emphasizing its role as an "information signal" within the market. He scientifically justified that market relations create a competitive environment that enables the optimal utilization of resources, and under such competition, the market approaches Pareto efficiency. However, Samuelson did not view the market as an ideal mechanism in economic relations; he openly acknowledged the existence of market failures and theoretically substantiated the necessity of government corrective intervention in the market [19].

The school known as Institutionalism, representing a new direction in economic thought, gathered around itself a group of like-minded intellectuals. Economists such as Thorstein Veblen, John Commons, Clare Mitchell, Oliver Williamson, Douglass C. North, and Ronald Coase introduced distinctive theoretical approaches to the regulation of economic relations. They rejected the notion of the market as a self-regulating mechanism governed solely by price signals, instead interpreting it as a complex socio-economic structure dependent on institutional frameworks. These scholars scientifically justified that market efficiency can be achieved by minimizing transaction costs and establishing institutions that guarantee property rights.

According to North's perspective, the market is fundamentally a product of economic, social, and political institutions. Market relations and systems develop through a historical process of evolution. To ensure its free functioning, the state must coordinate laws, the judicial system, contract enforcement mechanisms, as well as society's informal institutions, such as customs, values, and trust systems. Secondly, transaction costs constitute a set of factors that determine market efficiency; without their full operation, free market relations cannot exist. As a representative of the Institutionalism school, North analyzes market relations from the standpoint of the "costs of making and enforcing agreements." He argues that when transaction costs are high, resources are not optimally allocated, and as a result, the market fails to achieve its theoretical efficiency. Thirdly, north theoretically and methodologically substantiated that the development of market mechanisms is path-dependent, shaped by a country's political system and social institutions. Fourthly, market failures have institutional roots and are linked to weaknesses in socio-economic institutions. Under such conditions, the price mechanism cannot allocate resources optimally, competition is distorted, and transaction costs increase. Consequently, trust among market participants weakens, contract enforcement slows down, and economic efficiency declines.

In summary, the Institutionalism school of economics views the market not merely as a space for exchange based on price mechanisms, but as a complex socio-economic structure intricately connected with formal laws, informal rules, customs, property rights, and social institutions. According to this approach, market efficiency is directly dependent on the quality of institutions and their ability to reduce transaction costs.

Conclusion

This study conducted a historically coherent analysis of the theoretical perspectives on market relations across various economic schools of thought, illuminating their formation, developmental stages, and relevance in contemporary economic processes based on scientific grounds. The research systematically and comparatively examined the conceptual approaches to the market within Mercantilism, Physiocracy, Classical and Neoclassical economic directions, Marxism, Keynesianism, Institutionalism, and Monetarism. Through this analysis, key aspects such as the principles of the free market, the role of government in economic processes, the functioning laws of the price mechanism, competitive environments, innovations, and institutional factors affecting economic efficiency were clarified. Furthermore, employing a logical-analytical approach, the study scientifically substantiated the factors contributing to the stable functioning of market mechanisms, as well as the causes underlying economic failures. The findings provide a deeper understanding of the evolutionary development of theoretical views on market relations within economic thought and offer a solid scientific and methodological foundation for improving modern economic policy and its effective application in practice.

In summary, Uzbekistan's current economic model does not rely on a single theoretical school but represents a hybrid approach that integrates various economic theories adapted to different periods and conditions. To ensure sustainable growth in the future, the following strategic priorities should be pursued:

1. Strengthening free competition and entrepreneurial freedom.
2. Maintaining social protection and equity.
3. Promoting innovation and technological modernization.
4. Enhancing the quality of institutions and legal guarantees.
5. Preserving macroeconomic stability.
6. Encouraging export potential and optimizing institutional and infrastructural conditions for accessing international markets, leveraging digital economy opportunities while accounting for the country's complex geographic position.

7. Improving the competencies of specialists engaged in agricultural production, including developing a system for training highly qualified agronomists, marketers, technologists, and managers by studying market demands of future export destinations.

This combination positions Uzbekistan not only as a stable and competitive player within the regional economic landscape but also as a significant actor in the global economic arena.

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