

ECONOMIC CYCLES AND FLUCTUATIONS

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Annotation: This article analyzes the concept of economic periods and fluctuations, their main stages, causes, types and cases of reflection in the economy of Uzbekistan. Opinions are also expressed on measures to mitigate economic fluctuations.

Key words: economic cycle, economic vibration, expansion, contraction, fiscal policy, monetary policy, economic stability.

Annotatsiya: Mazkur maqolada iqtisodiy davrlar va tebranishlar tushunchasi, ularning asosiy bosqichlari, sabablari, turlari va O'zbekiston iqtisodiyotidagi aks ettirish holatlari tahlil qilinadi. Shuningdek, iqtisodiy tebranishlarni yumshatish choralari haqida fikrlar bildiriladi.

Kalit so'zlar: iqtisodiy sikl, iqtisodiy tebranish, kengayish, qisqarish, fiskal siyosat, monetar siyosat, iqtisodiy barqarorlik.

In a market economy, production volume, investment, unemployment rate, price level and other indicators fluctuate regularly. These fluctuations are called "economic cycles" or "economic cycles". They are inevitable periodic changes in the economic system. By studying economic fluctuations in depth, countries make important decisions in the formation of economic policy.

The essence and structure of economic cycles

An economic cycle is a cyclical movement of the economy, which includes phases of expansion and contraction, repeating over time. Each economic cycle consists of the following main stages:

1. Expansion (boom or expansion) - production volume, jobs and investments increase, gross domestic product (GDP) grows.
2. Peak (peak) - the economy grows at its maximum, inflationary pressure increases.
3. Recession (contraction) - economic activity decreases, unemployment increases, demand decreases.
4. Trough – the economy enters a period of recession, after which new growth may begin.

These cycles are a natural part of economic life and are caused by many factors.

Causes of economic fluctuations

Economic fluctuations are explained by the following main reasons:

Changes in demand and supply: changes in consumer and producer expectations disrupt market equilibrium.

Monetary and fiscal policy: changes in interest rates and money supply management by central banks, as well as changes in spending through the state budget.

Technological innovations: the introduction of new technologies affects economic growth.

External economic factors: changes in export and import volumes, global price fluctuations, international financial crises.

Types of economic fluctuations

Depending on the duration and scale of oscillatory movements, they are divided into the following:

Short-term cycles (Kitchin cycles): fluctuations lasting up to 3-5 years, usually associated with changes in reserves.

Medium-term cycles (Juglar cycles): production and investment cycles lasting around 7-11 years.

Long-term cycles (Kondratiev waves): fluctuations associated with technological revolutions lasting 40-60 years.

Economic cycles in the example of the economy of Uzbekistan

Economic cycles are also manifested in different forms in the economy of Uzbekistan. For example, in the early 2000s, a decrease in inflation and an increase in currency stability represented a phase of economic growth. In 2020, a decline was observed due to the global crisis due to the pandemic, but since 2021, a growth phase has been recorded again.

The following measures are taken to reduce the negative effects of economic fluctuations:

1. Monetary policy adjustment: Central banks stimulate or restrict demand by changing interest rates.
2. Fiscal policy: Balancing economic activity through state budget expenditures and taxes.
3. Improving the investment climate: Creating favorable conditions for the private sector.
4. Diversification policy: Reducing risk by developing various sectors of the economy.

Conclusion. Economic cycles and fluctuations are an important and integral part of the economic system. By correctly analyzing and predicting them, the state can clearly direct its economic policy. In the conditions of Uzbekistan, it is also important to conduct a policy that is flexible to these fluctuations and is one of the main conditions for maintaining economic stability.

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