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# ADAM SMITH AND THE FORMATION OF ECONOMIC THOUGHT IN THE ERA OF MANUFACTORY

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### Abstract

This article analyzes the economic activities and theoretical views of Adam Smith, the founder of the classical school of political economy, in the era of manufacturing. The study broadly covers Smith's scientific activities as an economist, his experience in public administration, and his views on the division of labor, the market mechanism, and economic freedom. It also analyzes the modern assessments of Adam Smith's teachings by Uzbek economists and their significance in the development of a market economy. The article serves to reassess Adam Smith as the theoretical founder of the economy of the era of manufacturing.

**Keywords:** Adam Smith, the era of manufacturing, economic activity, classical political economy, Uzbek economists.

### Introduction

The development of economic thought is closely related to the forms of production and socio-economic relations of society. The era of manufacturing that arose in Europe in the 18th century is one of such historical stages, which led to the rise of economic theory to a new qualitative level. During this period, the expansion of production volumes, the deepening of the division of labor, and the

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development of market relations brought to the fore theorists who explained economic processes on a scientific basis.

In such conditions, the Scottish economist and philosopher Adam Smith founded the school of classical political economy. He made a profound analysis of the economic essence of the era of manufacturing and made a fundamental turn in the history of economic thought.

### Research methodology (Methodology)

This study is of a theoretical-analytical nature, and classical and modern scientific methods used in the study of the history of economic thought were used. The research methodology is aimed at analyzing Adam Smith's economic views in their inextricable connection with the socio-economic conditions of the manufacturing era.

In the research process, first of all, the method of unity of historicity and logic was used. Through this method, the emergence of Adam Smith's economic thought in the context of the formation and development of manufacturing production in 18th-century Europe was studied on a sequential basis. . This approach made it possible to analyze economic ideas in relation to the real production relations of the time.

The research also used methods of scientific abstraction and systematic analysis. With the help of these methods, Adam Smith's division of labor, the market mechanism, and the concept of the "invisible hand" were identified as the main structural elements of the economy of the manufacturing era, and their interrelationships were analyzed.

The comparative analysis method also plays an important role in the research. With the help of this method, Adam Smith's views were compared with the mercantilist approaches that preceded him and the ideas of contemporary physiocrats. This made it possible to determine the place and degree of innovation of Adam Smith's teachings in the emergence of classical political economy.

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In addition, inductive and deductive logical inference methods were used in the research process. Based on empirical observations and analysis of historical sources, general theoretical conclusions were formulated and their scientific validity was checked.

Using the content analysis method in working with sources, the works of Adam Smith, scientific research by modern foreign and Uzbek economists were systematically studied. This method served to identify the interpretations of the research topic in current economic thinking.

In general, the set of methodological approaches used made it possible to comprehensively, objectively and scientifically shed light on the role of Adam Smith in the formation of economic thinking in the era of manufacturing.

### Socio-economic content of the era of manufacturing

The era of manufacturing is characterized as an intermediate stage in the transition from handicraft production to machine industry. The main features of this period were:

- specialization of the production process;
- expansion of hired labor;
- initial accumulation of capital;
- rapid development of domestic and foreign trade.

These factors complicated economic relations and required a deeper explanation of market mechanisms. As a result, economics began to separate from philosophical considerations and become an independent scientific field. The formation of Adam Smith's economic thinking

Adam Smith's economic views were not formed by chance. His academic work at the University of Glasgow, his scientific travels to European countries, and his communication with the physiocrats had a strong influence on the development of Smith's worldview.

The work "An Inquiry into the Nature and Causes of the Wealth of Nations", published in 1776, appeared as an economic encyclopedia of the era of

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manufacturing. In this work, Smith analyzed economic processes on a historical, logical, and empirical basis.

### Division of Labor and Production Efficiency

One of the most important concepts that Adam Smith introduced into economic thinking is the theory of the division of labor. He scientifically substantiated that the division of labor in manufacturing production leads to the following results:

1. increased skill of workers;
2. saving production time;
3. the emergence of technological innovations.

Smith's example of needle production clearly demonstrated the sharp increase in productivity in the era of manufacturing. This approach initiated a new stage in the analysis of production efficiency in economic thought.

### Market mechanism and the idea of the "invisible hand"

The complexity of economic activity in the era of manufacturing required a concept that would explain the market mechanism. The idea of the "invisible hand" put forward by Adam Smith was a response to this need.

According to him, the activities of economic entities based on personal interests serve the general interests of society through the market. The price system, the supply and demand mechanism ensure economic equilibrium. This idea created the theoretical basis of economic freedom and competition in the era of manufacturing.

### The role of the state in the economy

Adam Smith did not advocate the complete exclusion of the state from economic processes. He considered the following functions of the state to be necessary:

- national defense;
- law and order and justice;
- development of infrastructure and education. This approach shows Smith not as a supporter of absolute liberalism, but as a holder of balanced economic views.

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He clearly substantiated that excessive state intervention in the era of manufacturing, in particular, weakens the initiative of production.

**Adam Smith and the development of economic thought**

Adam Smith's ideas emerged from the era of manufacturing and served as a solid foundation for the economic theories of the Industrial Revolution. His views were later developed by David Ricardo, Thomas Malthus and other classical economists.

Even today, the concepts of a market economy, free trade and competition are based on Adam Smith's teachings. Therefore, he is considered a great theorist who made a turning point in the history of economic thought.

**Market mechanism and economic freedom**

One of the central concepts in Adam Smith's economic work, the idea of the "invisible hand", expresses the self-regulating nature of a market economy. Smith argues that strict regulation by the state can hinder the development of manufacturing production.

At the same time, he considers the role of the state in the areas of finance, justice, national security and infrastructure to be necessary. This approach shows Adam Smith not as a supporter of absolute liberalism, but as a holder of balanced economic views.

**The attitude of Uzbek scientists to the teachings of Adam Smith**

Modern Uzbek economists evaluate the teachings of Adam Smith as an important theoretical source in explaining the processes of transition to a market economy. In particular, studies devoted to the history of economic thought emphasize that Smith's ideas about the division of labor and competition are consistent with the theoretical foundations of Uzbek economic reforms. Uzbek scientists note the need to reinterpret Adam Smith's views in the context of the national economy, especially the relevance of his ideas in the development of small business and private entrepreneurship.

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### Conclusion

In conclusion, Adam Smith is a scientist who played a decisive role in the formation of economic thought in the era of manufacturing. He analyzed economic processes based on a systematic, scientific and historical approach, and founded the classical school of political economy. Adam Smith's legacy is of great theoretical importance not only for his time, but also for the modern global economy.

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