

therefore the struggle against «reiderstvo» and appeals for «innovative behavior» will unsuccessful.

The necessity of the orientation to the interests arises in connection to the course of Government of Russian Federation to the modernization of the economy by concentration of resources in the state and controlled by government corporations. Not denying the importance of this concentration of resources in base directions of modernization and at an active role of government, representatives of the economic science are interested in the following: does the management of these corporations need innovative in business or not? If certain interest is absent then the government is compelled to take the management functions in relation to created corporations, and that finally inevitably leads to loss of the real control for their adaptation to the completed system of the economic relations, which don't derive interest in innovations<sup>7</sup>.

Therefore, in our opinion, the statement is that the absence of the positive vision of changes to innovation for the decade of current economic growth in Russia is connected not only with economic politics, but also the completed system of the economic relations and its institutional embodiment. Therefore the social systems of the state and state institutes must change (develop).

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#### ECONOMICS IN THE CONTEXT OF SOCIAL DEVELOPMENT

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There was different correlation between ethics and economics in different periods of time. In Aristotle philosophy ethics, politics and economics are included in one system. Later in XVIII-th century, in order to please some politicians, moral feelings were disregarded by the model "economic personality". The results of it are the following: firstly, economics and ethics still have been studied separately; secondly, ethical standards and principles are often ignored by economics. This is the way of modern society development.

In general, development is interpreted as the process of regular changing, the transfer from one condition to another more perfect one; the transformation from old qualitative condition to new one, from simple to difficult, from inferior to superior [1]. Social development is qualitative and directed changing.

These features distinguish development from other forms of measuring. There is the opinion that directivity of the development can be ascending, progressive and descending, regressive; both progress and regress is natural. The work [2] is devoted to the speculation of criteria for social progress on the basis of the authors, who admit progress existence, division into three groups.

The first group thinks that social progress is the progress of production, as economic relations are fundamental for any social-economic formation, so the criterion of the progress should be still found in the field of economic relations, production and economic interests of a person.

The second group considers that there are several equitable subsystems in society; each of them has its own criteria of progress. This point of view, occurred in the course of historical materialism in the criticism of vulgar-economic understanding of progress, was also popular in Russian philosophy of the late XX-th century [3]. Above mentioned authors distinguish five criteria for five subsystems, although, according to the point of view of the another philosopher, the author of the discussion [2], using this approach one can find more than fifty criteria. That is why the latter is offered the third point of view: criterion of social progress is the level of people's freedom, living in this society.

Defining freedom as realized necessity, we come to the conclusion, that modern development of society is regress, because up-to-date person is more and more becoming a slave of things – commodities, services, means of communication, advertisement and signs. It prevents us to solve the problem.

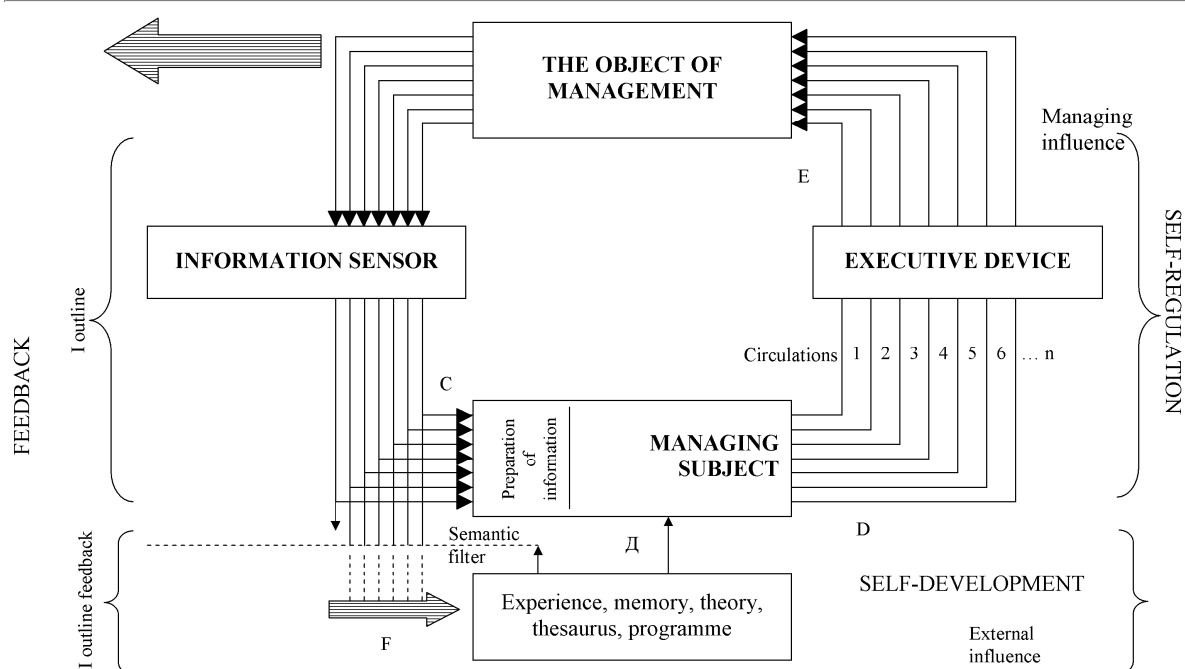
We offer to substantiate the fourth point of view consisting in the following, that criterion of the progress should be found in unity and harmony, economics and ethics congruency. The main initial points for this substantiation are cybernetic approach to the research of the complex systems managing theory as the general scientific approach and multilevel interpretative approach to the research of the theoretical economic unity laid in institutional economics. The main assumptions, accepted in this work, are: a) economics is regarded as complex "system in system", consisting from a number of subsystems and being a society subsystem; b) ethical standards and principles are embodied in socio-economic activity of a person through the organizational culture.

Let's examine the economics managing from the position of general, cybernetic approach as the managing of complex open systems. R.F. Abdeev in the work [4] offered a mechanism with double-outline feedback for illustration of the process (fig. 1): outline, responsible for dynamics, development, adaptation to the changeable environment, is represented as managing of economics through formal institutions (economic regulation outline). The second outline, responsible for stability, the system integrity, its long-

<sup>7</sup> D.Sorokin. Reproduction sector of the Russian economy: 1990-2007 years // Questions of economy. 2008. №4. P.105, 106.

term existence, is represented as self managing of economics through informal institutions (economics self regulation outline). The double-outline generalized mechanism of managing is offered for social

managing mechanism interpretation owing to the fact that complex system regulation is impossible without self regulation, managing – without self managing.



**Fig. 1.** Generalized mechanism model for self-organizing system-generalized model of management mechanism

We consider that the outline, responsible for dynamics, development of social-economic system is economics, and the outline, responsible for stability, integrity of the system is ethics. In this case the development is represented as harmonic combination, ethics and economics unity.

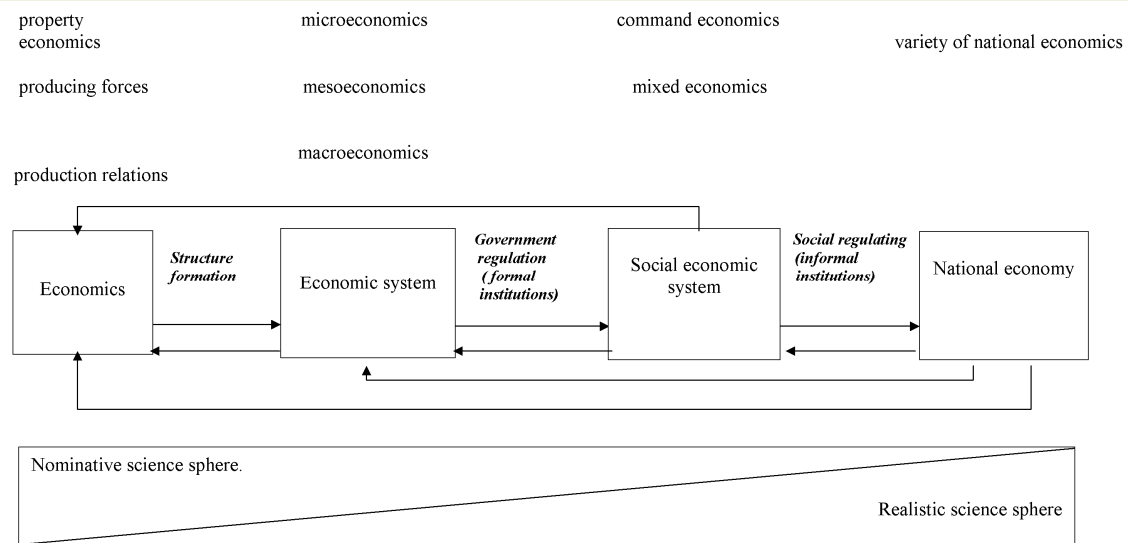
Taking into account the works of foreign and Kazakhstan researchers (U.J.Aliev, R.E.Elemesov, Ju.M.Osipov and some others) about terminology and the economic science subject, and the fact that manifestation of ethical standards and principles in practice of social-economic systems functioning is shown via the organizational culture, we offer the continuum of ascending from abstract economics to economic system (fig. 2). National economy is represented as the system in the conditions of the specific state managing in the continuation. National economy represents the system not only managed by the state, but also self regulated by the specific national organizational culture.

Thus, practical ethics is reflected in economic activity via organizational culture, and its interior layers and heart – values – form ethical standards and principles.

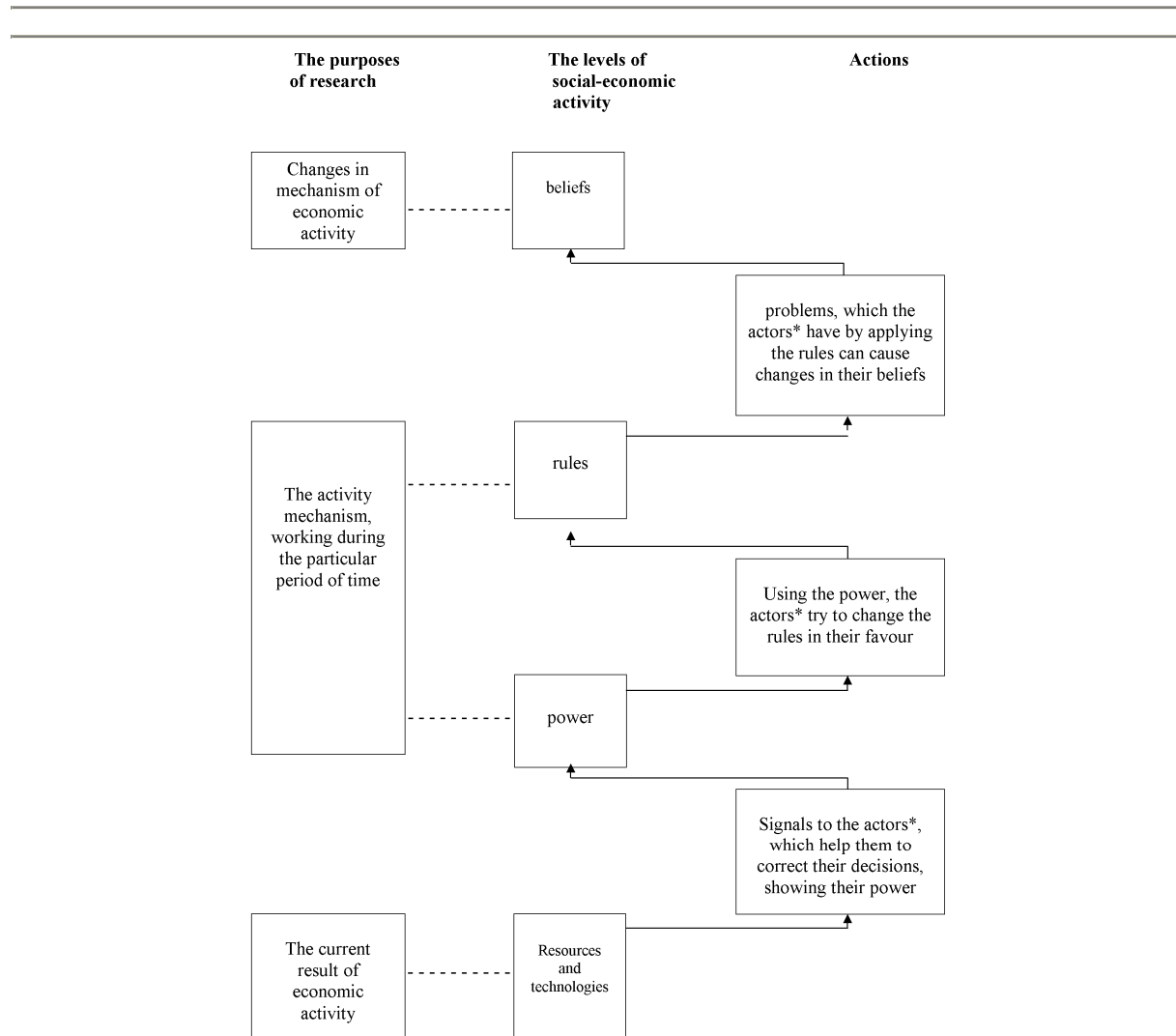
The moving forces and trends of social-economic development in modern conditions dictate the necessity of its examining as the stream. In the stream of social-economic activity on the base of interpretative institutional economics (IIE) V.Efremov marks out the following four levels in the descending

sequence: cognitive, institutional, organizational and resource-technological [5].

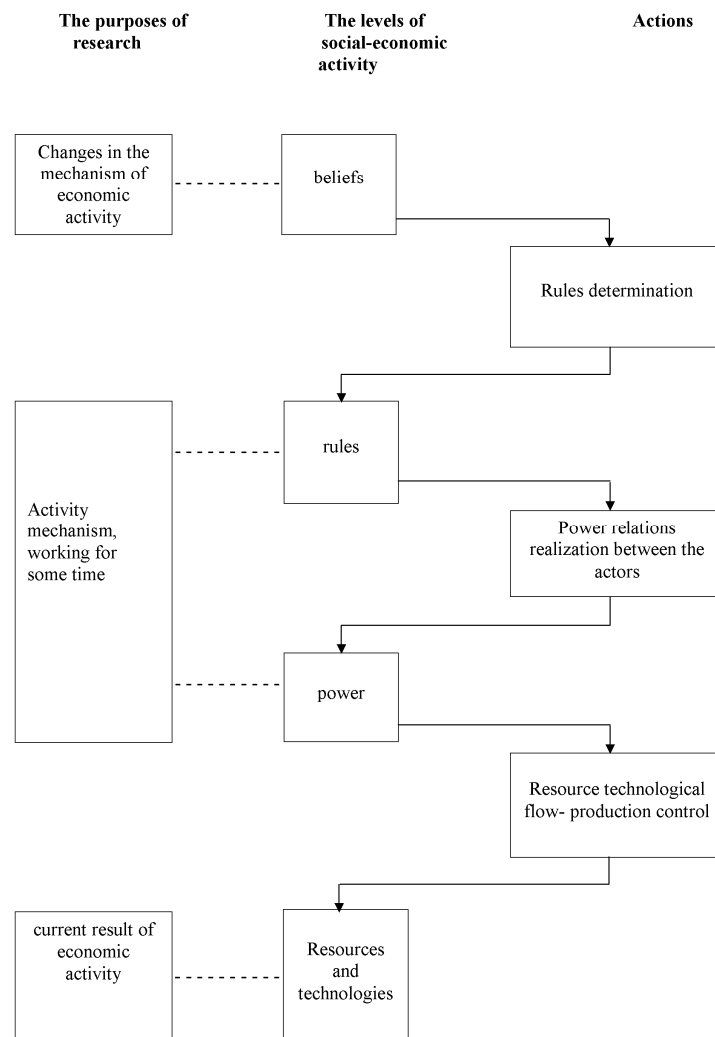
Upon the description the analyses subject and the research goals correspondence to each level of social-economic activity, given by V.Efremov, we made up flow diagrams of the levels research in the frame of descending and ascending connections. (fig. 3-4). Three types of search goals are seen from the pictures: result (what happens?), mechanism (how does it happen?), evolution (why does it happen?). If the researcher is primarily interested in the result of economic activity in one or another period of time, the primary attention should be paid to the resource-technological level. If he is interested in the activity mechanism, working in the proper period of time, his attention should be concentrated on institutional and organizational levels. In case if the research worker is interested in economic activity mechanism changes, the attention should be focused on institutional and cognitive levels [5, p. 63]. In order to answer the following questions “Why in the specific national economics do not work or work with great reservations abstract economic laws? Why do different countries with the same economic system achieve absolutely different results in social-economic activity?” the division into levels and specific goals statement for each level is need. But the operated research methods application in modern economics doesn’t allow to get satisfying answer.



**Fig. 2.** Continuous ascending scheme from economics to national economic system taking into account the feed-back



**Fig. 3.** The ascending connections between levels of social- economic reality  
\*Participant of social-economic activity



**Fig. 4.** The descending connections between levels of social- economic reality

Practical usage of IIE can be demonstrated on the analysis of the free trade theory by A.Smith. Created for the proper historic conditions –England in the second part of the XVIII-th century, domination of handmade manufacturing without equipment – and spread on the whole economics, won in the conflict of simplicity and complexity, and according to O.I. Ananyev theory “the economic science is developing as the theoretical science, which is oriented on the ideals and natural science norms” [6, 361].

At the same time the ideas of free entrepreneur activity in the economic liberalism conception by A.Smith which proved the necessity of feudal rules liquidation with the inherent relationship of personal dependence were turned into the idea of the free trade without connection with concrete historical and social-economic conditions by the followers of the scientist.

According to the conception “invisible hands of competition”, the market mechanism without any state interference in economics can be ensured for the combination of private and public interests and on the basis of it may have the most effective development of

economics. But the author of this conception was very cautious about it.

Firstly, A.Smith had written that if the market can’t do anything in the sphere of management it must be done by the state.

Secondly, the author marked “two incidents, when on the basis of general rule, it’s beneficial to regulate foreign industry in the purpose of encouragement the native one. The first example is true when separate branch of industry is necessary for defense of the country”. The second one when the native country products are taxable in order to encourage home industry [7, 449-451].

A.Smith considered in his work “Navigational act” from the position of interpretive institutional economics two levels can be picked out. On the resource – technological and organizational level there are several negative consequences (shortening of foreign trade in definite period of time; decrease of firms’ income, satisfaction of people with the consumer goods and at least military action against England).

But at the institutional level it is seen the positive role of England economic development: evaluation of own trade fleet, development of Holland monopoly on the sea that at least depends on the economic dependence and increase of England politic influence.

In conclusion, this gives us the notion of 3 different economic theories – classic, neoclassic, institutional and all of them interconnected in one subject, it is theoretical economics which is also correlated with the practice of managing activity.

In other words, interpretative institutional economics discovers the connection of abstract economics (“definite persons, who is free, without any restrictions in their relations and satisfied with the opportunity to follow their own interests due to the natural inclinations” [8, 149]) through the economic system

(“system of such human societies private economics which can’t be disturbed by state power, war and other activities in the sphere of trade” [8, 149]), and national economic system (which makes the common state politic organism [9]), with the national economic system [10-13], integrity of which is provided for informal institutes.

IIE lets answer the question, “what kind of aids influence on the achievement of solvent level and present power, and in consequences of what causes the country was deprived on everything” [8, 150]. The comparative analyses let do the following conclusion, that economics devotes to the resource – technological level, economic system to the organization one, national economic system to the institutional, national managing system concerns to the cognitive levels (fig. 5).

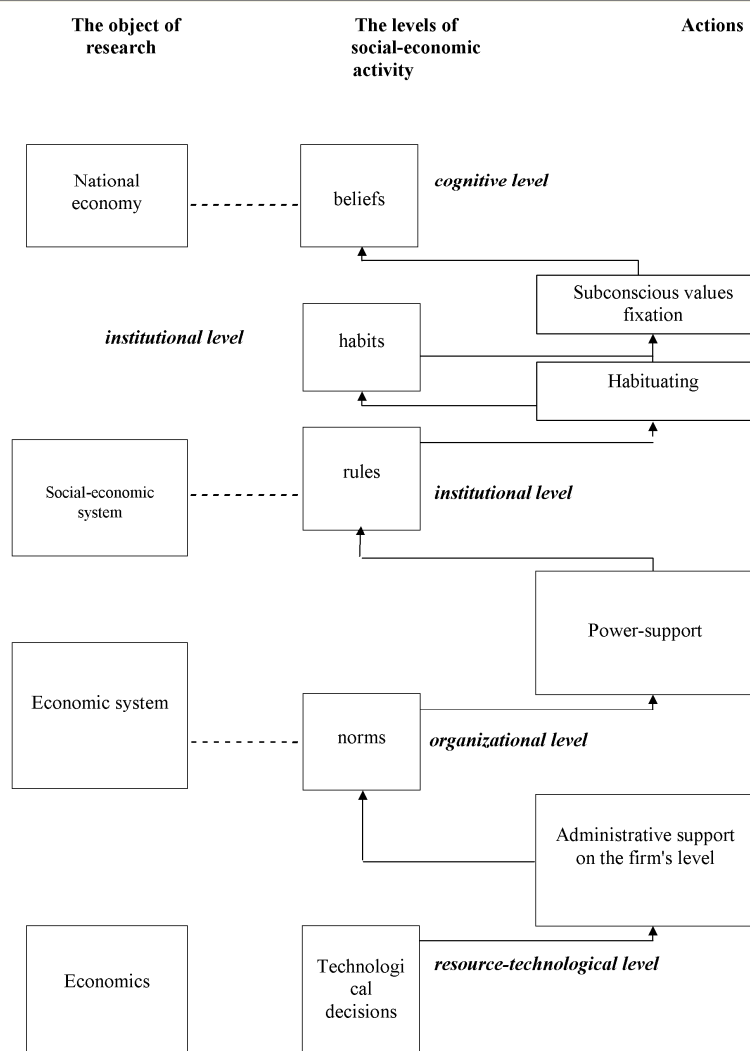


Fig. 5. National economic system formation concerning economic theory

In the picture you can see that if the notion “rule of game” in it’s meaning is spread on all these levels from the abstract non-structured environment, where the social – economic activity is going on in the

absence of any institutes, the norms will be equal to the organizational level, rules and habits to the institutional level and belief will be equal to the cognitive one.

So, our research is directed to the confirmation of opinion, that ethics is the main part of economics and the interpretative institutional economics shows its place in the stream of economic activity – the cognitive level of social-economic one.

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#### FOUNDATIONS OF ECONOMIC THEORY

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People have been concerning making a lot of goods necessary for their life maintenance for ages. Little by little for miscellaneous goods exchange there appeared money and the idea of "Economy", and even the science of "Economics" was formed. It is common knowledge that it is one of the most ancient sciences. It had always been attracting scientists and educated people. It is explained by the fact that studying economics – is the realization of the objective necessity of learning people's motives, activity in their business operations, management laws at all times – from Aristotle and Xenophon up to this day. It is interesting to

remember that in XIX century Pushkin A.S., who Tsar Nikolay I charged to think over the youth upbringing principles, first of all spoke against family education, and among obligatory sciences to study mentioned political economics. At the end of XIX century in his book "Foundations of Political Economics" Bunge V.N. noted that there was no political economics in those nations, who were at the lower step of the pan-human development. Today the interest of educated people in economic theory (political economics) grows more and more. It is explained by those global changes, which take place in the whole world and especially in Russia. An outstanding American scientist Samuelson P. called economic theory the Queen of Sciences. The Nobel Prizewinner Freedman M. wrote that economics – was a charming science, it was amazing because its fundamental principles were very simple, they could be written in one piece of paper, though they understood by few. The difficulty of this science reflecting the multiform world of economy is in the fact that its study requires, according to the words of a well known specialist in the economic idea history Heilenbronner A., "the stamina of a camel and patience of a saint" from the reader. The graduates of higher educational institutions in modern conditions must be able to show discrimination in a broad spectrum of economic issues, evaluate conservative and positive tendencies of social evolution to define their position in the changes taking place independently, be ready for practical activities and have a certain world outlook. A range of academic disciplines including economics is called up to solve this problem. Samuelson P. wrote in his textbook "Economics" known all over the world that the human having not studied the economic theory regularly was like a deaf man trying to value a piece of music.

Many hundreds years ago philosophers noticed that the economics of separate countries and even the world's economics develop in cycles. Much later economists got interested in the economic cycles. But the economic development cyclicity nature remained unknown up to the present time. As our research showed, there was a lack of methods and techniques to investigate economic processes. Thus, one should get interested not in the cyclicity problems in economics, but develop a theory of economics. The significance of the theory consists not in the fact that it is a set of ready recommendations applied immediately in business practices and policy, but in the fact that it serves, according to Keynes J., an intellectual instrument, thinking technique, helps the one, who knows it, come to the right summaries and conclusions. Thereat, the unreasonable theorizing is undesirable as well, as it is useless. An English economist Litte I. figuratively called such scientists "non-economists" and fairly took up the position that the "non-economists" are usually too much academic, they separate themselves from the real world extremely hard. A severe crisis of all the life sides of our society could not help being re-